FOR MYSORE STATE

H. E & L.A. (1954.) Department.

MB. SERIES.

G.O. NO. 2145 Health.

Closed
CC
2/8/54.

Dated 2/8/54.

[Despatch Abstract.]

Tenders — Water Supply — Mangalore Water Supply Scheme — Tenders for Supply of 18" 'B' Class Pipes — Orders Passed.

Confidential. Specially Urgent.

C.F. 32—14'67,656—21-3-52.

Public Works Department | Received Registered

From (Name) Sri N.Padmanabha Ayyar, B.A., B.E., M.I.E.(Ind.), I.S.E.
Designation Chief Engineer, P.W.D. (General & Buildings)
Station Chepauk, Madras.

To

Secretary to Government, Health, Education and Local Administration Department, George

Enclosures: No. 709 PH/54-4 dated 30th June 1954

Sir,

Mangalore water supply scheme with the Nethravathi river source - pumping main - tender for supply of 18" pipes 'B' Class - approval - requested

In G.O.Ms.No.1304-P.H. dated 7-4-1953, Government accorded administrative approval for Rs.82.85 lakhs for the Mangalore water supply scheme with the Nethravathi river as the source. This scheme was drawn up on the basis of a 20 gallons supply per head per day and provided for a 62,000 R.ft. of 20" dia. pumping main. An estimate for Rs.42.53 lakhs was technically sanctioned by me for the sub-work of the pumping main mentioned above, providing for 20,000 R.ft. in 'C' class pipes and the balance in 'B' class pipes. Tenders were called for the supply of the 20" dia. 'C' class pipes and based on the orders of Government in their Memo No.62426-W2/51 Health dated 29-2-1952, all the 20,000 R.ft. of 'C' class pipes were already purchased. The laying and jointing of these pipes are now in progress.

2. Now in G.O.Ms.No.626 Health dated 16-3-1954, Government have approved of the reduction in the size of the remaining 42,000 R.ft. of the pumping main from 20" to 18", based on a reduced per capita supply of 15 gallons per day instead of 20 gallons originally proposed. The Sanitary Engineer has now submitted revised plans and estimates for the pumping main providing for the above change in size and they are yet to be technically sanctioned by me after scrutiny. In the meanwhile, the Sanitary Engineer has invited sealed tenders for the supply and delivery of the 42,000 R.ft. of 18" 'B' class pipes and I forward herewith all the tenders and quotations received, together with the Sanitary Engineer's letter No.9946 W2/54-1 dated 14-6-1954 containing his recommendations in the matter.

3. Out of the five tenders and two quotations received, the Sanitary Engineer has rejected one tender (Leories Trading Company, Bombay) and the two quotations (B.R.Herman and Mohatta (India) Ltd., Calcutta, and Amin Chand Payare Lal, Calcutta) as they are not in accordance with the tender conditions, and further their rates are also not favourable. The remaining four tenders were duly considered by him and out of them, only the tenders of Messrs. Orient Engineering and Commercial Co. Ltd., Calcutta, and Messrs. Hiuka Trading Co., Madras, were found to compare favourably with the rest. After a detailed examination of these two tenders, the Sanitary Engineer has finally recommended for acceptance only the tender of Messrs. Orient Engineering and Commercial Co. Ltd., Calcutta for the various reasons mentioned by him in his letter.

4. In this connection, I may lay stress on the fact that the firm Messrs. Orient Engineering and Commercial Co. Ltd. have already supplied the 20,000 R.ft. of 'C' class pipes for this very scheme, referred to in para 1 above. In addition to this, they have also completed satisfactorily similar contracts for supply of C.I. pipes for other

other water supply schemes, viz. Srivilliputtur, Palayamkottai and Coimbatore water supply schemes. As regards Messrs. Hiuka Trading Company, it has to be mentioned that this firm is quite new to the department and their capacity and reliability are not known. Further, there is also the difficulty in obtaining the required import licence for their Japanes pipes inasmuch as Japan is in the hard currency area.

5. The cost of the pipes based on the tender rate of Messrs. Orient Engineering and Commercial Co. Ltd., Calcutta, will be about Rs.13.16 lakhs as against the estimated cost of Rs.15.0 lakhs based on the I.S.D. rate for Kulti pipes. Thus, it may be seen that the tendered rate of this firm for 'B' class pipes is well within the estimate rate.

6. In these circumstances, I fully endorse the Sanitary Engineer's recommendations and request very early orders of Government for accepting the tender of Messrs. Orient Engineering and Commercial Co. Ltd., Calcutta, subject to the conditions mentioned in their tender, to enable the Sanitary Engineer to place orders on the firm before 31-7-1954, the date unto which only these tenders are valid.

for Chief Engineer, P.W.D. 30/7/54

Enc: 1 copy of Sany. Engr.'s letter dated 14-6-1954.
(2) — 5 tenders and 2 quotations (in 112 pages) to be returned.
1 comparative statement

Confidential /Specially Urgent:

SANITARY ENGINEERING BRANCH (P.W.D.)

From
Sri S. Rajagopalan, B.E., M.I.E.,
Sanitary Engineer,
Chepauk, Madras:

To
The Chief Engineer, P.W.D.,
General & Buildings,
Chepauk, Madras.

No.9946 W2/54-1 Dated 14-6-1954.

Sir,

Sub: Mangalore Municipality - Water Supply Scheme - 18" dia. Cast Iron Pumping Main - Tenders for supply of 42,000' required - orders - requested.

Ref: Correspondence ending with my Letter No.5171 W2-3 Dated 24-3-54.

As you are aware a quantity of 20,000' of 20" dia. 'C' class Spun Iron Pipes was imported from Germany during 1952-53 to cover about one third of the requirements of the Pumping Main for the Mangalore Water Supply Scheme.

2. Subsequently, pursuant to the orders of Government in G.O.Ms.No. 626 Health dated 16th March 1954, the size of the pipes required for the remaining length of the Pumping Main has been reduced to 18".

3. Government have also since agreed to place, at the disposal of the Department, ready funds upto Rs.12 lakhs to enable us to expedite the progress of work on this Scheme, Vide G.O.Ms.No. 584 Health dated 12-3-54.

4. I put out a call for tenders for the supply and delivery of Indian as well as imported pipes, required for the pumping main. In the tender call I had also stipulated as an alternative, the supply of about 15,000 ft. of 18" dia. pipes in 'C' Class to cover any contingency in design and to have an idea of the comparative cost as between 'B' and 'C' classes of pipes.

5. I am sending up to you separately revised plans and estimates for the Pumping Main, based on the reduced per capita supply of 15 gallons ordered by the Government. In the proposals as finally decided on, it is found that 'B' class pipes would be sufficient for all the remaining length of 42,000' of the Pumping Main.

6. While discussing the relative merits of the Tenders received now for the 18" pipes, we may assume that the Department will be purchasing the entire quantity of 42,000' in 'B' class only. I may mention, however, that a final selection of the Tenderer does not get affected in this case, whether we purchase the entire quantity in 'B' class, or part of the quantity in 'B' class and part in 'C' class.

7. The following Firms have responded to my call for Tenders. The tenders were due by 2-6-1954.

(1) M/s. Orient Engineering & Commercial Co, Ltd., Calcutta who offer to supply pipes of German manufacture. The same Firm had supplied the Department a quantity of 20,000' of 20" dia. 'C' class German pipes for the same scheme in 1952-53.

P.T.O.

(ii) M/s. South Indian Export Co. Ltd., Madras, who offer pipes manufactured at Kulti Iron Works, by their Indian Principals, M/s. Indian Iron & Steel Co. Ltd., Calcutta, and alternatively, imported English pipes manufactured by their Principals in the U.K. M/s. Stanton Iron Works Ltd., Nottingham, England.

This Firm have supplied the Department imported Stanton pipes for the Coimbatore Duplicate Gravity Main and also for the Srivilliputhur Gravity Main.

(iii) M/s. Hiuka Trading Co., Madras, who have offered pipes of Japanese manufacture. The firm seems to be new to the field.

(iv) M/s. Pioneer Iron & Steel Corporation, Calcutta, who offer pipes in 6' lengths manufactured in their own Foundry at Howrah.

Subsequent to the opening of the tenders, the firm have offered to supply the pipes in 12' lengths instead of in 6' lengths as originally tendered for by them.

(v) M/s. Leories Trading Company, Bombay, who offer imported pipes manufactured by M/s. Staveley Iron & Chemical Company Ltd., Chesterfield, England.

8. In addition to the five tenders received from the firms mentioned above, two other firms have sent in merely their quotations. They are:--

(i) M/s. B.R. Herman & Mohatta (India Ltd., Calcutta who quoted their prices through a telegram received on the 2nd inst. which was later confirmed in their letter dated 8th inst. They have offered pipes of French manufacture.

(ii) M/s. Amichand Payarelal, Calcutta, who have quoted for pipes of U.K. Manufacture.

9. The quotations received from these two firms do not deserve any consideration as they are not in conformity with the Tender Notice. Nor are the rates offered more favourable than the other tenders received.

10. Likewise, the tender of M/s. Leories Trading Co., need not be considered, as the firm has failed to deposit the earnest money as required in the Tender Notice. Their rates also are not the cheapest.

11. I enclose a comparative statement showing the relative merits of the Tenders received from the remaining four firms mentioned in para 7 above. I may discuss the details as under:

12. M/s. Pioneer Iron & Steel Corporation, Calcutta offer vertically cast iron pipes manufactured in their own Foundry at Howrah. Till recently only two firms in India, viz. M/s. The Indian Iron & Steel Co., Ltd., Calcutta and M/s. Mysore Iron & Steel Works, Badravathi were reputed manufacturers of cast iron pipes of requisite quality satisfying the B.S.S. Recently a few firms have started manufacturing cast iron pipes and specials. But it is too soon to go in for any large scale use of big-sized pipes supplied by these new Foundries. In this case, however, the rate tendered by M/s. South Indian Export Co., Ltd., for pipes manufactured by M/s. Indian Iron & Steel Co., Ltd., at their Kulti works are cheaper than the rates offered by M/s. Pioneer Iron & Steel Corporation, Calcutta. There is, therefore, no reason why we should consider the tender of

M/s. Pioneer Iron & Steel Corporation even if the Department should decide to go in for pipes of Indian manufacture only, as against imported pipes. The Tender of M/s. Pioneer Iron & Steel Corporation, Calcutta, need not therefore be considered.

13. M/s. South Indian Export Co. Ltd., have tendered for supply of pipes of Indian manufacture and alternatively of imported pipes of English manufacture. It is quite a favourable feature to note in this case, that this Firm have quoted lower rates for imported English pipes than for their Indian pipes. In addition, the imported pipes are offered for delivery far quicker and earlier than Indian pipes. It will be seen that the firm offers to supply the entire quantity of imported pipes within a period of 10 weeks, whereas they have indicated that the supply of Indian pipes could be made by the end of March 1956 only, and that too contingent on non-interference by the Director General of Supplies & Disposal in regard to pipe allotments. Obviously therefore, there is a decided advantage in going in for imported pipes only for the Mangalore Pumping Main as it will enable us to get the pipes both quicker and cheaper, than is possible if we went in for Indian pipes. I would emphasize this point, because the Municipality has already sunk nearly Rs.14 lakhs on completing a part of the Pumpin Main, and any ~~avoidable~~ curtailment of delay in the procurement and laying of the remaining quantity of pipes required to complete the Pumping Main, between the source and the town, would mean an appreciable saving in interest charges on idle investment, and also expedite the fruition of the scheme as a whole. For all these reasons I recommend that we obtain imported pipes only for the remaining length of the Pumping Main.

14. The comparative statement would show, however, that the rate for the imported pipes tendered by M/s. South Indian Export Co., Ltd., is not the cheapest, although their period of delivery i.e. 4 to 10 weeks is the most attractive. But such a rate of delivery will be too much of a rush supply at the Port of landing and it is likely that the unloading and transport facilities for railing the pipes from Cochin to Mangalore cannot keep up with this rapid rate of shipment offered by the firm. On the other hand, it would facilitate a more orderly and workable arrangement for loading into waggons at Cochin, transport by Rail, unloading at Mangalore, and laying and jointing of the pipes at site, if the deliveries are effected at a less rapid rate and spread over a period of 8 or nine months as specified in the Tender Notice.

15. For all these reasons, the tender of M/s. South Indian Export Co. Ltd., both for the supply of Indian pipes and alternatively for imported pipes is not acceptable in this case.

16. We are then left with the two firms, M/s. Hiuka Trading Co., and the Orient Engineering & Commercial Co. Ltd., The Hiuka Trading Co. has tendered a firm rate for the supply of pipes C.I.F. Cochin or Mangalore, and not F.O.R. Mangalore as required. The Orient Engineering & Commercial Co. Ltd., has however, tendered its rate for F.O.R. Mangalore with the proviso that this rate is based on certain specified figures in respect of Harbour dues, unloading and railway freight between Cochin and Mangalore, and that any variations from these figures at the time of the actual operation of the Contract would be to the account of the Department, based, however, on production of vouchers by the firm in support of any such variations.

17. In regard to the Tender submitted by M/s. The Hiuka Trading Co., it may be noted that although the Department had stipulated in the Tender Notice that rates for the pipes should be offered on F.O.R. Mangalore basis, this firm submitted its tendered rate for C.I.F. basis only. But the very next day, after the tenders were opened and the figures were read out, the firm came out with their calculations for the F.O.R. Mangalore rate based on their C.I.F. rate and attempted to show how their offer on C.I.F. basis was cheaper to the Department than the F.O.R. rate offered by the next Tenderer. Significantly enough, the firm did not even then offer to supply the pipes F.O.R. Mangalore, on such basis themselves; but they merely wanted to show how, according to their calculations, the Department would benefit by accepting the pipes from them on a C.I.F. basis rather than by accepting the pipes from another firm on F.O.R. Mangalore basis. A perusal of the firm's letter dated 3-6-64 would show how, in form and tone, it falls short of the standard to be expected of a firm of standing and experience in this line.

18. The rate of Rs. 75-7-0 C.I.F. Cochin, tendered by this firm would work out to a rate of Rs.91-8-0 F.O.R. Mangalore, as under:--

C.I.F. Cochin rate.		Rs.75-7-0 per Yd.
Customs duty ..	71-14-0 per Ton.	
Port dues and other clearing charges, as assumed by Orient Engg. & Commercial Co. Ltd., in their Tender.	8--7-4 -do-	
Railway Freight at 0-14-2 per Md. ..	23-14-4	
Insurance assumed at 2% (The Indian Insurance Pool had demanded 2½% based on their actual experience on the previous consignments from Cochin to Mangalore.	13--5-4	
	117--9-0 per Ton	
	or	16-1- 0 Per Yd.
Cost F.O.R. Mangalore		91-8--0

94-0-3
91.8.0
2.8-3

The F.O.R. Mangalore rate tendered by the Orient Engineering & Commercial Co. Ltd., is Rs. 94-0-3. The difference as between the tendered amounts of the two firms would thus be about Rs. 35,000/- for a total value of Rs. 13.00 lakhs for 14,000 Yds. of pipes.

19. Considering all factors, I do not recommend the acceptance of the Tender of the Hiuka Trading Co., for the following reasons:--

(a) The firm is new to the field and to the Department.

(b) It demands an irrevocable Letter of Credit to be opened at Japan as a condition precedent to the placing of the order for the pipes. It would mean interest charges on the amount paid as advance until the completion of the supply.

(c) The firm wants the Department to obtain the necessary Import Licence for the pipes.

(d) The firm wants the Department to arrange for all the waggons and barges necessary to unload the pipes from the ships at Cochin or Mangalore Port.

(e) The firm would seem to be anxious to shoulder only the minimum of responsibility in the entire transaction, and to throw the maximum of responsibility on the Department at every stage.

(f) Without knowing the antecedents of the firm and its reliability in regard to proper fulfilment of the contract, it is not expedient to entrust a work of this magnitude to this firm.

20. This leaves us with the Tender of the Orient Engineering & Commercial Co. Ltd., They have tendered their rate for the supply of pipes on F.O.R. Mangalore basis, and have also given the specific figures in respect of Harbour dues and clearing charges for the reason that these may be varying entities, and that any variations from the specific figures, on the basis of which they have worked out their F.O.R. rate, may be adjusted during payments by the Department. They have also included full insurance coverage right upto F.O.R. destination. As far as the acceptance of their F.O.R. Mangalore rate is concerned, any variations in this rate would arise, only consequent on any changes in the Port dues and clearing charges during the actual operation of the Contract. Their C.I.F. rate is subject to the usual force majore clauses in regard to manufacturer's cost, Ocean Freight etc., which are applicable to all such offers for imported pipes. In all other respects the tender of this firm is fairly complete and acceptable. There is the added factor in favour of this firm that they have already supplied this Department a similar consignment of 20,000 ft. of imported pipes (in 20" dia, 'C' class) for the same work at Mangalore in 1952-53.

21. On the former occasion when 20,000 ft. of 20" dia. German pipes were imported for Mangalore, the firms tender for the pipes was accepted on a C.I.F. Cochin basis. The actual experience gained by the Department during the operation of that Contract, with special reference to the clearing of the pipes at the Port, procurement of Railway waggons, insurance of the consignments and lodging of claims on damaged pipes in the several consignments, has shown that there is a distinct and allround advantage in getting the imported pipes on a F.O.R. Mangalore basis in preference to C.I.F. Cochin basis, so that the entire responsibility for supply of the pipes upto the destination is placed on the firm, which is bound to take quick and coordinated action at all stages to expedite the delivery of the pipes at Mangalore, and clear their final bills with the Department.

22. For all these reasons, I recommend that the tender of the Orient Engineering & Commercial Co. Ltd., for the supply of about 14,000 Yds. of 18" dia. 'B' class pipes of German manufacture at the rate of Rs. 31-5-5 per ft. F.O.R. Mangalore, subject to the conditions mentioned in their Tender may be approved by the Government. I request early approval to enable me to place the order for the pipes on the firm before

31-7-54, the date upto which the tenders are valid for acceptance.

14 6.54

SANITARY ENGINEER.

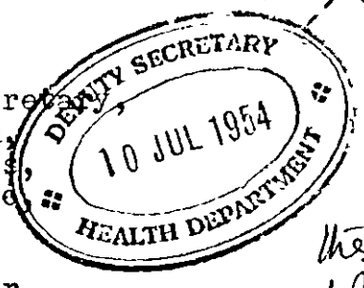
Encl: Comparative Statement.
5 Tenders in original and two quotations for reference and return.

La.14/6.

11

K.C. Kapoor,
Pioneer Iron & Steel Corporation,
119, S.T.Road, Howrah, CALCUTTA. Camp:Hotel Victoria, Madras.

10th July, 1954.



The Joint Secretary,
Public Health,
Govt.of Madras,
Fort St.George,
MADRAS-1.

Honourable Sir,

Ref: Tender No.8026 - W2/54-1 dated 10-5-54,
Tender Notice dated 27-3-54. C.I.Pipes
18" Internal Diameter.

With reference to my interview this morning which you very graciously granted to me, as desired, I have the following points to lay before you for your kind consideration.

The above tender was opened on 2-6-54 by the Sanitary Engineer in the presence of all concerned. The tender submitted by us was for B.S.S. specification of Cast Iron pipes required by the Govt.of Madras for six foot lengths, which length was considered convenient for the labour to handle by us, in the absence of any specific lengths mentioned in the tender.

We subsequently understood, that longer lengths than what was offered by us are required. We immediately confirmed that 12' lengths can be manufactured and supplied by us vide our letter of the 7th June, (copy attached) for ready reference), which length at present can only be cast in India. Having received no reply to this letter, the undersigned called on the Sanitary Engineer on the 15th June, 1954 and personally explained the position and pointed out that since 12' lengths are now to be supplied by us instead of 6', it will now be possible to reduce the prices, and we may be permitted to quote fresh prices on the basis of 12' length, where in manufacturing these lengths one complete process is eliminated together with savings of time. I was asked to write this, immediately on my return to Calcutta, we confirmed of this by our letter of the 19th June (copy attached) that we are open for further negotiation to reduce prices.

Now, we are told that we ~~being~~ are a new firm, we are a new firm, in as much as we are new to the Government of Madras, as this is our first tender, although we are in business for a number of years, and will remain a new firm, until such time we are entrusted by the Government and people to do jobs for them. To overcome your difficulty of placing this business with us, we have in our previous correspondence, copies attached, explained that we are ready to offer you any security you may deem suitable from an Indian firm backed by a bank guarantee for the fulfilment of the contract placed with us. In case your contract is not fulfilled, of which we are sure to complete, this security may be treated as liquidated damages for non-compliance. Once again, we confirm that these pipes will be made in India under European supervision and management.

We hope you will very favourably consider the above facts and favour us with the business asked for in the interest of the country as a whole.

If any further information or discussion is necessary in this case, please let us know, when we shall gladly send our representative.

Thanking you and assuring you of our best attention, and co-operation to all your valued enquiries at all times,

Yours faithfully,

Encl:

June 7, 1954.

The Sanitary Engineer,
Government of Madras,
Chepauk, MADRAS.

Sub: Tender No.8026-W2/54-1 dated 10-5-1954
Tender Notice dated 27th March 1954
C.I.Pipes 18" Internal diameter

Dear Sir,

Further to this office No.PISC/5/54/1787 dated 29th May 1954 we thank you for thevery kind and sympathetic reception given to our representative at the time of the opening of the above Tender.

In view of the fact that the 6 ft. length quoted by us is not an economic unit for you, we have pleasure in confirming that we are in a position to manufactureand deliver to you the 'Vertically cast" pipes in question in 12 ft. lengths at the price quoted by us on cwt. basis or weight basis which will work out to Rs.38/- per ft. F.O.R.Mangalore (fully insured).

We also take this opportunity of confirming that we are on the list of all Railways and D.G.S.& D. as this factory has been in existence for over 12 years under the title 'United Iron & Steal Corporation Ltd.' and the Pioneer Iron & Steal Corporation are only successors to them except in as much as themanagement has changed and is now under an European Manager.

We have in the past manufactured these pipes, including Gate Valves, Sluice Valves, etc., for several water Supply schemes sponsored by the Provincial as well as the Central Governments. We could have furnished full particulars, but are unable to do so due to loss of records during the change of management. If necessary, we can obtain a report from Alipore Test House with regard to the pipes we have manufactured for the Northern Railway(6"x 10' long, which conforms to B.S.S. specification No.78/38).

The pipes offered by us will be made from materials, labour and capital available in the country and no foreign ~~xx~~ exchange will be spent for imports. We hope you will be kind enough to consider this point favourably irrespective of the price factor, as we are against well-established and Stat-subsidised foreign manufacturers, with whom we cannot compete. An order for indigenous materials will not only encourage the national industry which is still in its infancy, but will help grow and prevent it being strangled by foreign competition.

Not only our country is the biggest producer of raw materials, but a big exporter too. We should not be reduced to the position of exporters of raw materials, since adjoining countries like Burma, Malay, et. look to us for supply of finished cast iron materials.

With regard to delivery we again confirm that this will be effected within theperiod stipulated by you subject, however, to strikes, lock-outs, breakdowns, acts of God etc., We are ready to furnish any security backed by Banker's Guarantee to prove that we will be in a position to deliver to you the required materials to your specification with regard to quality and quantity. If we fail to do so, we are ready to forfeit such security as liquidated damages to you for non-compliance.

In the end we would request you to kindly consider the case of indigenous industries very favourably to help us stand on our own feet, as Government of India has already observed that Indian cost of production will be higher than Western cost of production due to the latter's highly skilled labour and uptodate machineries which this country is not yet in a position to invest in. If necessary we are prepared to send out our representative again to discuss and clarify any point without any obligation on your part. Please do not hesitate to call on us for any further information in this matter.

Thanking you and assuring you of our best attention at all times to all your enquiries and orders,

Yours faithfully,
For THE PIONEER IRON & STEEL CORPORATION,

(T.Cavendish-Boulton),
GENERAL MANAGER.

Registered with A.D.

June 19, 5.

PISC/6/54/1861

The Sanitary Engineer,
Government of Madras,
Chepauk, MADRAS.

Dear Sir,

Sub: Tender No.8026-W2/54-i dated 10.5.54
Tender Notice dated 27.3.54
C.I.Pipes18" internal diameter.

With regard to the visit of our representative to your office in connection with the above tender we have been given to understand in the course of discussion the price factor for indigenous manufacture is likely to be a deterrent in the way of arriving at a decision in favour of Indian industries. To assist in overcoming the aforementioned difficulties we are willing to consider the possibility of reducing the prices and would suggest that we may be given the opportunity of negotiation with your good self to this effect.

We have already brought to your notice in a previous letter that indigenous materials must of necessity cost more than the imported goods from foreign countries where there are State subsidisation for orders of the magnitude which you have offered. Until such time as we are freely offered the facilities, confidence and backing of the Government and its people, it will not be possible to proceed with and organise the industry on European lines. We are requesting the facilities for negotiation in view of the fact that we feel there are extenuating circumstances in our favour which permit us to take this liberty.

The pipes for which we have tendered will be manufactured in our factory in India under European supervision, and manufacturing methods.

Thanking you and assuring you of our best attention at all times,

We remain,
Yours faithfully,
For The Pioneer Iron & Steel Corporation,
Sd/
(T.Cavendiah-Boulton)
General Manager.

(True Copy)

Immediate

19
H.E.C.A
46

Memo no. 65797.46.54 - 211, d 10.7.54

Subj: Water supply. Mangalore Water supply Scheme - Tenders for pipes.

Ptn of From Sri P.C. Kapoor, Prioneer Iron and ~~Steel~~ Steel Corpn, Calcutta, pn, d 10.7.54

A copy of the petition cited is forwarded to the Sanitary Engineer for his immediate remarks through the Ch. Engr (Gl. & Bridges).

D/Sd BV 10/7/54

K 10.7.54

Ch Engr 10/7/54 SE 10/7/54

The S.E ✓ (with a copy of the petition plg)
The Ch. Engr (Gl. & Bridges) (with a copy of the petition plg).

Note:- Please see the petition at ppr. 7/c and the order of GS at p 1/c. It is not clear whether the ~~of~~ facts put by the petitioner were before the Sanctioning when tenders were considered by them. His remarks may be called for. The draft above is for approval.

Main file in 2nd Gl. Br. 10/7/54 (9.7.54)

K 10.7.54

Ch Engr 10/7/54 SE 10/7/54

Confidential. Specially Urgent.

C.F. 32 ( )—470,10,558—29-1-54.

Public Works Department

From (Name) Sri N.Padmanabha Ayyar, B.A.,B.E.,M.I.E.(Ind.),I.S.E.,
Designation Chief Engineer, P.W.D. (General),
Station Chepauk, Madras.

Received ——— Registered ———

To

The Secretary to Government,
Health, Education & L.A.Dept.,
Fort St. George.

Enclosures:

No. 709 PH/54-5 dated 15-7-1954.

Sir,

Mangalore ~~municipality~~ municipality - water supply scheme - 18" diameter C.I. pumping main - tenders for supply of 42,000 R.ft. - regarding -

Ref: Correspondence resting with my letter Confdl. No.709 PH/54-4 dated 30-6-1954.

...

ASSISTANT SECRETARY TO GOVT. 17 JUL 1954 T1975 HEALTH, EDN. & LOCAL ADMN. DEPT.

In continuation of my letter cited, I enclose a copy of the letter Confdl.No.11559 W/54-1 dated 9-7-1954 received from the Sanitary Engineer, together with a copy of the Firm's (Messrs. The South India Export Co. Ltd.,Madras) letter referred to therein.

It may be observed from the above that even the revised offer of the firm is not attractive on the cost point of view inasmuch as the department will be forced to incur an extra expenditure of about Rs.68,000/- in favour of this offer, as against the tender of Messrs. Orient Engineering and Commercial Co.Ltd., Calcutta, which has already been recommended for acceptance in my letter under reference.

The only considerations in favour of this Firm's offer are that we will be getting pipes of Indian manufacture and consequently we can save foreign exchange to the tune of Rs.13 lakhs. These are however matters of policy only, which have to be decided by Government.

I would however hold that it is not desirable to countenance such revised offers of firms as the one under reference, since it will defeat the very purpose of inviting SEALED TENDERS which is meant to create a healthy competition among the tenderers.

for Chief Engineer, P.W.D.

16/7/54

Enc: Copy of Sany. Engr.'s letter dated 9-7-54 together with copy of Co.'s letter.

Confidential
Specially Urgent.

SANITARY ENGINEERING BRANCH (P.W.D.)

From
Sri S. Rajagopalan, B.E., M.I.E.,
Sanitary Engineer
Chepauk, Madras.

To
The Chief Engineer, P.W.D.,
General & Buildings,
Chepauk, Madras.

No.11559 W/54-1 Dated 9-7-54.

Sir,

Sub: Mangalore Municipality -Water Supply Scheme - 18" Dia. Cast Iron Pumping Main - Tenders for supply of 42,000 ft. -

Ref: Correspondence ending with Chief Engineer's No.709 PH/54-4 Dated 30-6-54 addressed to the Secretary to Government, Health, Education & Local Administration Department.

I invite a reference to my letter No.10297/W2/54-1 dated 28-6-54, wherein I had commented on the modified offer of Messrs. The South Indian Export Co. Ltd., for supply of the 18" pipes on F.O.R. Kulti basis, and subject to the conditions mentioned by them in their letter Dated 17-6-54. For the reasons explained by me in that letter, I had expressed my opinion that my earlier recommendations to place the order for the pipes with Messrs. Orient Engineering & Commercial Co. Ltd., should stand.

2. Subsequently, Mr. R.B. Jesudasan of Messrs. The South Indian Export Co. Ltd., Madras sought an interview with me for clarifying certain details in their offer. He explained that unless the order for the pipes was placed through the I.S.D., the Department could not get the rebate of 5% on the cost of the pipes under the Rate Contract, and that for this reason the firm had offered to supply the pipes through the I.S.D. He also explained that any order on the I.S.D. would not be accepted by it unless it was on F.O.R. Kulti basis. In regard to the promise of the firm that they would supply the pipes within a period of 7 months, he said that this period could be kept up, provided the D.G., S. & D did not interfere during the progress of the deliveries under this contract.

3. As all these points had already been considered by me, I had to tell the firm's representative that the Department was not interested in their offer, unless the supply was made on F.O.R. Mangalore basis and without the handicaps in regard to period of delivery etc.

4. M/s. The South Indian Export Co. Ltd., would seem to have since persuaded their Principals to agree to all the conditions such as would make their offer attractive to the Department. I enclose a copy of the letter from M/s. The South Indian Export Co. Ltd., No. I.R.8/251 dated 9-7-1954 in which they have given their final offer for supplying the pipes on the terms and conditions as set forth in their present letter. I must say that their final offer is attractive for the following reasons.

(1) The firm has promised to supply the entire quantity within the end of the present financial year 1954-55. The promise is not qualified by any conditions such as non-interference by the Director General, Supplies & Disposals or

diversion of the quota alloted to Messrs. The Indian Iron & Steel Co. Ltd., for supply against such direct indents. In point of delivery, therefore, their offer is acceptable.

(ii) The firm is now prepared to supply the pipes on F.O.R. Mangalore basis instead of F.O.R. Kulti basis. This is a definite improvement over their previous offer, in that the entire responsibility for the procurement of waggons, loading, and unloading, insurance, care and supervision involved in the entire transaction, from F.O.R. Kulti Works to F.O.R. Mangalore, will be looked after by the firm without the Department being called upon to supervise the operations at any intermediate stage. Their conditions relating to payment of any excess over the present rate of Railway Freight is more or less analogous to similar conditions mentioned by M/s. Orient Engineering & Commercial Co. Ltd., in regard to the conveyance of the pipes from Cochin to Mangalore. On the question of the place and mode of delivery also, the present offer of the firm is therefore acceptable.

(iii) The firm has agreed to supply the pipes F.O.R. Mangalore at the rate of Rs.630-0-0 per Ton which works out to Rs. 96-6-0 per Yard. The corresponding F.O.R. Mangalore rate as tendered by M/s. Orient Engineering & Commercial Co. Ltd., is Rs. 94-0-3 per Yard. The price for the Indian pipes as offered by M/s. The South Indian Export Co. Ltd., now is thus nearly Rs. 2-6-0 per Yd. in excess over the tendered rate already recommended for acceptance. The extra cost involved over the quantity of 14,000 Yards of pipes required in this case would be about Rs.33,000. Although the Indian pipes will be vertically cast while the imported pipes will be spun iron pipes, the length of the Indian pipes will be 12' while the imported pipes will be in 16'-18' lengths. Because of the shorter length of Indian pipes the extra cost involved in laying and jointing work, over the entire length of 14,000 yards, would be roughly Rs.35,000. In all, therefore, the Department may have to incur an extra expenditure of about Rs.68,000 by using Indian manufactured vertically cast Iron pipes as against imported spun Iron pipes. But by accepting the Indian manufactured pipes, we shall be able to save for the Country foreign currency to the tune of Rs.13.16 lakhs, which must be considered as an important factor.

(iv) It will be noted that in their first offer, M/s. The South Indian Export Co. Ltd., had quoted F.O.R. Kulti rate for the supply of the pipes and indicated that the cost of the pipes based on current Railway Freight etc. would be about Rs. 101-2-7 per Yard F.O.R. Mangalore. The present rate offered by the firm for supplying the pipes F.O.R. Mangalore is nearly Rs.5 per Yd. less than their previous offer, as derived from their F.O.R. Kulti rate.

5. Normally, we may not countenance any attempts by tendering firms to modify of alter their original tendered offers, based on the information gained by them after the tenders are opened. But in this case, we have to decide as between pipes manufactured within our country and pipes which will have to be imported from abroad, by drawing on our sterling balance. I have therefore had to consider the present offer of the firm on its merits.

6. I should also state that if M/s. The South Indian Export Co. Ltd., had chosen to quote, even in the first instance

a firm rate of Rs. 96-6-0 per Yard F.O.R. Mangalore, and guaranteed the period of delivery with the other conditions as now explained in their present letter, I should have been inclined to recommend their offer, as our first choice, despite the fact that it may cost the Department, an extra amount of Rs. 68,000 over a total figure of some Rs. 13.00 lakhs. The fact that the pipes are manufactured and supplied from within our country and that we need not deplete our sterling balance by purchasing these pipes, are the two overriding factors which merit consideration in this case. Hence it is that I feel that although the firm have chosen to make their offer acceptable to the Department, subsequent to the opening of tenders, their revised offer should not be rejected purely on that account.

7. In the light of the foregoing, I recommend that the firm's revised offer to supply Indian pipes at Rs.650/- per Ton or Rs. 96-3-0 per Yard F.O.R. Mangalore, on the terms and conditions set forth in their present letter may be considered favourably. I leave it to you and the Government, however, to decide and pass early orders in the matter, as the firm have stated that their present offer is valid upto 20-7-54 only.

S. R. Srinivasan
9.7.54

For Sanitary Engineer.

La.9/7. 9/7

Copy of letter No. IR.8/251 dated 9th July 1954 from the South Indian Export Company Limited, Madras, to the Sanitary Engineer, Chepauk, Madras.

MANGALORE WATER SUPPLY SCHEME.
Tender for supply of 42,000 Rft. of C.I. Pipes of 18" internal diameter with Spigot & Socket Joints.

We beg to refer you to our letter IR.8/703 of the 17th June 1954 and the discussions which the writer had with you on the above subject. You gave us to understand that you are not inclined to place orders on any other basis than f.o.r. Mangalore basis and also that you are not desirous of placing an order through the D.G., S&D. In the circumstances we pursued this matter further with our Principals, The Indian Iron & Steel Co., Ltd. and we are pleased to inform you that as a very special case and in order to enable you to buy Indian pipes rather than ~~impos~~ imported pipes involving foreign currency, on behalf of our Principals, The Indian Iron & Steel Co., Ltd. we are in a position to quote prices f.or.Mangalore, the prices being firm subject to force majeure clauses.

On the basis of details furnished by our Principals, we have pleasure in giving below f.o.r Mangalore rate for your requirements of pipes:-

42,000 Rft. of C.I. Vertically Cast S&S pipes of 18" internal diameter to Class B as offered in our letter No. IR.8/161 of the 1st June 1954 ... Rs.530 per ton F.O.R. Mangalore

or rs.26/8/-per cwt. F.O.R. Mangalore

Sales tax will be charged extra.

Our principals advise us that the above price is based on the current railway freight of Rs.111/6/- per ton from Bisco (Kulti) to Mangalore and any increase or decrease in the current railway freight will be to your account. According to the billing procedure for pipes quoted on weight basis our Principals will be billing for actual weights of pipes supplied within the limits of tolerance laid down in the respective ~~British~~ British Standard Specification.

For your information we may say this price of Rs.530/- per ton will work out to Rs.96/6/- per yard f.o.r Mangalore taking the standard weight of 18" x 12' long vertically cast S & S Iron pipe to Class B as Cut. 14-2-5 as given in the B.S.S. 78 of 1936.

Our Principals also advise us that the price quoted above will remain firm unless they have to revise their prices owing to conditions beyond their control, viz. payment of increased wages as awarded by any tribunal , increase in cost of raw materials, Governmental legislation and other force majeure causes. In the event of any increase in the prices then such increase will be supported by manufacturer's certificate.

Delivery: Our Principals expect to complete the supply of the entire 42,000 Rft. of C.I. Pipes within approximately 9 months from receipt of your firm order i.e. before 31st March 1955 and they do not expect to depart from the delivery schedule except when forced to do so by causes beyond out Principals' control. Please be assured that our Principals and ourselves will endeavour our best to complete supplies within the stipulated period of 9 months as desired by you.

Terms of Payment.

90% of the value of supplies should be paid immediately on your receipt of R/R and the balance 10% immediately on arrival of the pipes in Mangalore. Remittance by cheques or drafts on Madras Banks are required; otherwise bank commission will have to be added to the bill amount.

We request that the above terms of payment should be strictly adhered to as we have quoted very special cut prices.

All other conditions regarding our offer for supply of vertically cast iron pipes manufactured by our Principals, The Indian Iron & Steel Co., Ltd., Calcutta, throug our letter IR.8/161 of the 1st June 1954, remain unchanged.

This offer is valid till the 20th July 1954. In this connection we would suggest your very early action as any delay in placing the order may upset our Principals delivery schedule very carefully planned out for this tender.

Assuring you of our best services at all times, we know await your further advice in the matter. In the meantime, if you require any additional information or clarification on this subject please do not hesitate to write to us.

(True copy)

T. Rangachari
S/J
Senior Superintendent

svn/9-7. 9/7

HLA
49

Immediate Memo no. 65197 HB/52-3 Hkalk
d 19.7.54

By Spl. Messenger

Subj. Water supply. Mangalore.
Water supply Scheme. Tenders for
supplying pipes. - Representation
of the Orient Iron and Steal Corporation

Dy Ch Engr
19.7.54

Ref Govt memorandum no.
65197-HB-54. 2 Hkalk, d 10.7.52

The attention of the CE,
PWD (Gl Bldgs), is invited to
the above reference and he
is requested to send his
reply immediately through
a special messenger so as to
reach the Govt on 20.7.54
at the latest.

Dy Ch Engr
19.7.54

Dy Sec
19/7/54

Dy Sec
19/7/54

Spl messenger
19.7.54

Dy Sec
19/7/54

Dy Sec
19/7/54

To
The CE, PWD (Gl Bldgs),

Copy to the Sanitary Engr.
for S/y

Dy Sec
19/7/54

DEPUTY SECRETARY 11 JUL 1954 HEALTH DEPARTMENT

SANITARY ENGINEERING BRANCH (P&D).

From
Sri V. Rajagopalan B.E., M.I.E.,
Sanitary Engineer,
Chepauk, Madras.

To
The Chief Engineer, P.W.D.,
General & Buildings,
Chepauk, Madras.

No.11671-72/54-1 dated 16-7-1954.

Sir,

Subj WATER SUPPLY - Mangalore Water Supply Scheme - Tenders for Pipes.

Ref: Health, Education and Local Administration Department Memorandum No.65197-H3/54-2 dated 13-7-1954.

Sri K.C. Kapoor of the Pioneer Iron & Steel Corporation, Calcutta was present when the tenders were opened by me on 2-6-54. This firm had offered to supply the 19" diameter C.I. Pipes in 6 ft. lengths while the other firms had offered pipes in 12 ft. and 16 to 13 ft. lengths. The shortness of the pipes offered by the firm came in for casual remarks at the time when the tenders were read out.

2. The firm presumably took the cue and followed up with their letter dated 7-6-54 offering 12 ft. pipes instead of 6 ft. pipes, but at the same rate. The firm did not mention then that they could reduce the rate for the 12 ft. pipe Nor did Sri Kapoor refer to this point, when he called on me on the 15th instant, as now stated in his letter addressed to the Joint Secretary. In fact, the question of a reduction in their tendered rate was raised by them for the first time only in their letter dated 13-6-54. Obviously, it was an after thought since, during his interview with me on the 15th, he admitted that even in regard to pipes of Indian manufacture, his tendered rate was not the lowest. I am surprised that Sri K.C. Kapoor's letter addressed the Joint Secretary should contain an incorrect version of his interview with the Sanitary Engineer. In fact when I asked him how it was that his firm should have quoted for 6 ft. lengths if they could have supplied the pipes in 12 ft. lengths, I understood him to say that because of his absence from Head-quarters, his Engineers could not visualise the feasibility of the firm casting the pipes in 12 ft. lengths, and that that was why he had to follow up the tender with a modified offer in respect of the pipe lengths. I thereupon even cut a joke with him as to what one was to think of his Engineers if they could not hit upon the idea which was obvious even to Sri Kapoor. I am mentioning these details because I find the trend of Sri Kapoor's letter to the Joint Secretary is not all that it should be.

3. In regard to the merits of this firm's tender, I have discussed the details in para 12 of my letter No.9046-72/54-1 dated 14-6-54. I may add that while this firm had tendered a rate of Rs.114/- per yard, F.O.R. Mangalore for their Indian Pipes, Messrs. South Indian Export Co., Ltd., has tendered a rate of Rs.101-2-7 per yard F.O.R. Mangalore based on their F.O.R. Kulti price. When two competing firms have offered pipes of Indian manufacture, one of them viz. the Pioneer Iron & Steel Corporation which has quoted a rate 13% higher than the other, can have no claim whatsoever to be called in for negotiations, particularly when the other firm has established a reputation in the line.

S. R. Srinivasan 17.7.54
FOR SANITARY ENGINEER.

TSG/16.7.

(Edn. & L.A.)

Advance copy submitted to the Joint Secretary, Health Department, with reference to telephonic conversation today.

S. Rajagopalan 20.7.54

CODES
ACME
ACME SUPPLEMENT
PRIVATE
HEAD OFFICE
5TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618
CALCUTTA OFFICE
1ST FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL (MADRAS OFFICE)

DEPUTY SECRETARY 28 JUL 1954 7380 HEALTH DEPARTMENT

Ref. No. Jpk/29

Dated 22nd July 1954.

Sri. A.B. Shetty,
Minister for Public Health,
Government of Madras,
Madras.

Pl call for
confirmation

Dear Sir,

Re: Tender for supply of 42000 Rft. 18" C.I. Pipes for Mangalore Municipality Protected Water supply Scheme.

The above tenders were invited and opened by the Sanitary Engineer, Government of Madras on 2-6-54.

Our Tender Lowest in price.

At the time of opening of the tenders it was revealed and announced that our rates of Rs.75/7 per yard C.I.J. Cochin or Mangalore are the lowest in as much that there is a minimum difference of Rs.49000/- between ours and the next best tenderer in price only incase our goods were brought first to Cochin and then transhipped to Mangalore.

Incase the Govt. could manage to take delivery at Mangalore there would be a minimum difference of about Rs.80000 (eighty eight thousand). Full details in support of the above figures are given in our letter of 4th June addressed to the Sanitary Engineer, copy of which is attached for your kind perusal.

Our Pipes lengthier than others and thus save laying cost ~~to the~~ of about Rs.50000/-to the Govt.

Apart from the fact that our prices are the lowest, the Govt. will save another Rs.50000/- by way of laying cost as our pipes are longer than others. Full details explained in our letter of the 4th June and 21st July addressed to Sanitary Engineer. (Copies enclosed)

Our Insurance Clause means a saving of Rs.10000/- to the Government.

In the original tender it was however specified that the

pipes should be fully insured inclusive of the risk of breakage till F.O.R. Manglore. This is however a very controversial issue and we discussed with Sanitary Engineer a couple of days before the opening of the tender. F.O.R. means FREE ON RAILS. If pipes reach Manglore than as per the terms of tender, the pipes should be checked while the pipes are loaded in the wagons, which it is impossible to check unless they are unloaded. The goods as per tender are insured F.O.R. Manglore for risk of breakage etc. As soon as they are unloaded the insurance risk ends, and it would be a highly controversial point as to know whether the pipes broke in Transit from Cochin to Manglore or at the time of unloading by Govt. labour from the wagons at Manglore. This is however an extra saving of Rs.10000/-for the Department.

Commercial and Trade Reasons.

There are some other factors attached i.e. of trade between India and Japan. Japan today is the biggest buyer of Indian Iron and Manganese Ores, Scraps, and other minerals in bulk quantities. In fact today India's 75% export of the above items are made to Japan. There are hardly any buyers of the above items in other countries. Japan today is in need of more and more of these ores which India has abundant to supply. But Japan today is unable to buy our Ores as she is suffering for want of 'Exchange' and shortage of sterling. The net result of this 'exchange' difficulties in Japan is that lakhs of tons of ores belonging to South Indian Mine owners and suppliers is lying at various pit heads, rail heads and on all south Indian ports which they are unable to dispose off. It is a pity that whereas Japanese mills are anxious buyers and South Indian exporters are anxious sellers inspite of that no business is possible due to exchange difficulties and shortage of sterling in Japan.

Incase, however, the Madras Govt. decides to place the order with us, we in turn shall be able to press the Japanese Govt. through our principals to open L/C of equivalent amount for the purchase of Indian ores etc. Thus whereas by this way the South Indian exporter's position which is now fully bottlenecked will be very much easier, (as they shall be able to export about 40/50 thousand tons of iron Ore to Japan), our national Govt. will gain consideably by way of this export. And the most important of this all is that the money paid by the Madras Govt. for purchase of these pipes will again come back to the coffers of national Govt. ~~for purchase of these~~ with profits by way of these exports of ores. We however don't stress upon this point as a basis of placing order with us, but as true and loyal citizens of the Indian Union we should spend our monies and revenues to the best of our country's advantage.

We however, wish if we could patronise our manufacturers if is the best, But should for various reasons the Govt. decided to go in for imported pipes, thenwe shall request you to give preference to the Japanese made spun pipes for reasons of their cheapness in price durability of goods and various other reasons as explained above.

Slight Variations by us in the original tender.

Whereas the Sanitary Engineer invited rates f.o.r. Manglor or F.O.R. Cochin, we have quoted rates C.I.F. Manglore/or Cochin. Since we are prepared to bring our ship to Manglore port the question of F.O.R. Manglore does not arise with us. We undertook to supply pipes at the same price whether at Manglore port or cochin port.

As regards terms of payment the department has written in the tender that the tenderer should agree to accept 90% payment against shipping documents and balance 10% after the arrival of the goods.

Since the department never mentioned in the original tender form in what way 90% payment will be made by the depatment, we have asked the usual formal way of payment by a letter of Credit. Japan is a soft currency area and L/C can be opened easily. Since we were told later that the Govt. may not like to open an L/C we subsequently offered to withdraw our L/C clause, and as such at this stage we have agreed to all the terms of payment etc of the department which however they did not make it clear earlier.

Defects in making 90% payment on F.O.R. value.

As explained in detail in our letter of 21st inst. to the Sanitary Engineer that there might be a chance of loss of Rs.75000/- to the Govt. if they make 90% payment on total value.

We on our side have tried to explain things to the best of our capability, but should your Honour may feel further clarification necessary, we shall be too glad to comeand explain at any time corvenient to you. Here it will not be out of place to inform your Honour that the last date for final decision is 31st July 1954 i.e. only 9 days more.left.

Our principals overseas representative has yesterday come from Japan and would be glad to seek interview with your honour and will deem it a pleasure to explain details to your goodself.

Assuring you of our best services.

Thanking you,

Yours faithfully,
FOR HIUKA TRADING CO.

R. S. Hoor

Encl.
True copies of letters written
to the Sanitary Engineer Madras.

CODES
ACME
ACME SUPPLEMENT
PRIVATE

HEAD OFFICE
5th FLOOR, DAIHYAKU SEIMEI BLDG.
No. 18 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618

CALCUTTA OFFICE
1st FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL (MADRAS OFFICE)

Ref.No.RS117/54.

Dated 21st July 1954.

The Sanitary Engineer,
Government of Madras,
Chepauk,
Madras.

Dear Sir,

Re: 18" C.I. Pipes for Manglore.

We very much regret to say that inspite of our various letters written to your goodself, we have not had any reply from your end. Now that we are reaching to the fag end of the month and that decision has to be taken by the 31st July, we once again request you to please consider our suggestions and favour us with your reply. After all discussion and negotiations will always be benificial to mutual advantage.

We however still feel that there is absolutely no difference in the terms of payment as stipulated in the tender and as asked by us, so long the Department pays and we accept only 90% and no more whether in Osaka by way of an L/C or in India by a cheque issued by the Department.

Japan is soft currency area and L/C can be opened very easily, but should the Department find our L/C clause not possible to meet with for some reasons, we therefore withdraw our L/C clause and agree to your terms of payment as stipulated by your goodselves in the tender. i.e. 90% against shipping documents supported by an inspection certificate of I.S.D. London or their authorised agent. 5% when the goods are landed and put on rails and R/R's obtained at Indian port of landing and balance 5% on receipt of goods F.O.R. Manglore. If the pipes are unloaded at Manglore than the terms will be 90% as mentioned above and 10% when the pipes reach in Manglore harbour and inspected and tested by your officers. We however expect that incase it is necessary you will assure our bankers of your above terms of payment as mentioned in the tender. These terms ofcourse subject to our getting an Import License as stipulated by you in the tender.

As written by us in ours of 4th June we may assure the department that the additional expenses after our C.I.F. Cochin price of Rs.75/7 per yard to be incurred by the department to make them F.O.R. Manglore will not go beyond what we have written in our letter of 4th inst. i.e. Rs.111-8-4 per ton so as to make the price of pipes Rs.90-7-0 per yard F.O.R. Manglore subject to the availability of wagons and of the ship getting berth along side the wharf in the harbour etc. as mentioned by M/s. Harrisons & Crossfield, vide their letter No. nil dated 31st May received by

us on the 2nd June 1954, and a copy of which has already been sent to you, along with our letter of 4th inst.

We may also add that it will not mean very much additional expense to the department by way of staff etc. as the departmental officers and staff who will check up the pipes at the port of landing (Cochin) can also check up the loading and unloading operation which will be done by an experienced firm of long standing and reputation. Assuming little extra expense on supervision by the department the pipes will not cost the department beyond Rs.91/- per yard in any case. We however also undertake to give ample notice i.e. of about 30 days to department of the arrival of the ship at the Indian port to enable the department to arrange for the wagons and other facilties at the harbour. Thus the Government will be saving nearly Rs.42,000 (Forty two thousand) if the order is placed with us than if it chooses the next best tender.

Our pipes are lengthier and thus save laying cost.

As already written by us in ours of 4th inst. that our pipes being lengthier than other manufacturers, the Government will save laying cost of about 490 pcs. We have been informed by our manufacturers that laying cost of each pipe is over Rs.100 and not 50/- as we wrote earlier. Thus the Govt. will save nearly forty nine thousand Rupees extra incase the Govt. decides to take up our pipes.

Better facilities if loading & unloading done by the Govt.

We may also further point out that by experience we have known that facilities offered by other Govt. departments i.e. Railway authorities, (in allotment of wagons) and Harbour authorities (in providing immediate bearth space etc.) will be 100 times more when they know that the clearing and forwarding is being done by one of the sister Govt. department, then what, they usually allow to firms like us, although we may be clearing and the priority goods for the Govt. Sanitary Department. Thus we are sure that if department decides to do the job themselves, there will behardly or no delay in getting wagons and other facilities which will avoid all possible wharfrage and other superflous expenses.

No Deviation from Original contrat.

We also take here the opportunity to add that we have not at all deviated from the terms of contract. It is evident that the firm who quotes lowest C.I.F. prices will be also lowest on F.O.R. prices. After all difference between C.I.F. and F.O.R. prices is only Import duty (which is fixed by Govt.) Railway freight (which is also fixed by Govt.) and unloading and loading charges, which are also semi officially fixed. The business profits of any firm will be in the bulk supply of pipes and not on Import duty, Railway freight, Insurance, loading, and unloading charges. Thus you will appreciate that this is not a case of an after thought, but a case based on facts and truths.

Here it will not be out of place to add that the Govt. if it is to encourage healthy competition in order to get the lowest

quotations from other foreign countries should also try to understand the difficulties, of export policies of other countries. Japan today cannot export any goods unless they are support by a 100% L/C. It was with enormous difficulties our principals made agree the Japanese Govt. to agree to 90% and 10% as mentioned in your tender explaining that this was also a goverrment of Madras Tender.

We however see no reason why should Govt. of Madras loose ninty thousand to a lakh of Rupees simply on the point of how to make payment. This is a point of mutual adjustment. In business there is always give and take and it is never wise to stick 100% on your own way of thinking, when you find reason in others arguments. Sometime one's own way of thinking can be wrong, inspite of the fact that he may be obsolutely certain about it.

<u>90% payment against documents</u>.

Here we may very respectfully point that where as the Govt. will be obsolutely safe in making 90% payment against our C.I.F. Price of 75/7 and balance afterwards. Alternatively the position of the Govt. will be rather unhappy if they make 90% payment on F.O.R. Manglore basis.

Supposing F.O.R. Manglore price come to Rs.91/-per yard.

(i) Total value of 42000 Rft will be:		12,74000
(ii)90% of above to be paid by Govt. on receipt of documents.	:	11,46600
(iii)Balance 10% with Govt.	:	1,27400

Thus till final completion of the job is done the Govt. will hold with them a sum of Rs.1,27400 in account of the supplier. Including 20,000/- of security money there will be a holding of Rs.1,47400 to be paid after the successful completion of the job by the supplier. But if unfortunately after accepting 90% payment the suppliers fails or refuses to complete the job the Govt. the Govt will have only Rs.14,7400/- in the supplier account. If your goodselves will once again refer to our letter of 4th June, your goodself will appreciate that this amount of 147400 will hardly cover the cost of Import duty on pipes which calcutated @ 71/14/- per ton on 42000 Rft i.e. about 2000 tons will be 143750/- Then there will be Railway freight of about Rs.48000/- plus another Rs.32000 by way of clearing forwarding insurance.

Thus if the supplier fails after accepting 90% payment Govt. inspite of their holding 10% of F.O.R. Manglore value will loose a minimum of Rs.75000/- in cash and will also undergo risk of breakage ectc. This amount will go up if the F.O.R. Manglore price will be Rs.94/2/- or more.

Thus we very respectfully differ and still maintain that our C.I.F. rates should be more suitable to the Govt. But incase however should the department feel that what we have stated is not correct and possible then we are quite prepared to handle this job with in the above mentioned rate on F.O.R. Manglore terms, or delivery Manglore harbour.

Thus we leave it at the option of the Department to either accept our original offer of C.I.F. Cochin/Manglore dated 2-6-54 or F.O.R. Manglore offer as written by us, which ever is found convenient. We on our side are fully prepared to make a contract on any of the above terms, suitable to the Department.

Insurance Clause & Breakage risk F.O.R. MANGLORE.

We may also add that our quotations include the breakage risk till unloading of the goods at Manglore and not F.C.R. Manglore as stipulated in the tender. This could be a very controversial point, as it is impossible to check breakage of pipes at Manglore while they are F.O.R. Manglore and are loaded in wagons. Thus it will not be possible to decide, whether the pipes have been broken in Transit between Cochin to Manglore or they have been broken at Manglore while at the time of unloading from the Railway wagons by your labour. Please note that incase of F.O.R. Manglore the responsibility of the supplier will cease as soon as the wagons arrive at Manglore. Our taking up of the breakage risk till unloading at Manglore will be of great advantage to the Department.

Although, your goodself has not thought it necessary to call and discuss with us this matter. We, however, still maintain that if the Department changes its mind and chooses to discuss this matter with us, the results may prove beneficial to mutual advantage.

Thanking you and hoping to hearing from your goodself at the very earliest convenience.

Yours faithfully,
FOR HIUKA TRADING CO.

Q. S. Hon.

CODES
ACME
ACME SUPPLEMENT
PRIVATE
HEAD OFFICE
5TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618
CALCUTTA OFFICE
1st FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL (MADRAS OFFICE)

Ref.No.RS2616/54.

Dated 21st June 1954.

The Sanitary Engineer,
Govt. of Madras,
Chepauk, Madras.

Dear Sir,

We are enclosing herewith the guarantee letter in orginal of M/s. Kubota Iron & Machinery works, Osaka written in your favour.

We are also enclosing herewith a pamphlet giving a resume of Kubota Iron & Machinery Works. As you will see it has a paid up capital of ¥1.680,000,000.00 and it has aproduction capacity of 150,000 Tons annualy. This means that the total order of 42000 Rft of 18" C.I. pipes is only 5 days production.

We still very anxiously await your kind reply to our of the 14th inwhich we have asked your goodself to let us know if opening of an L/C is not possible for the department, so as to enable us to find out other means of payment which should be within the scope of the Department. Infact we have instructions to fully coorerate with the department on all such points where you find any difficulty to move further in this matter.

We shall always be at your call should you need any clarification on any particular point or issue.

Assuring your of our best services in the meantime.

Yours faithfully,
FOR HIUKA TRADING CO.

Encl.
1. Guarantee letter of M/s. Kubota Iron & Machinery Works, Osaka of 15-6-54.
2. Drawing of 18" C.I. Pipes.
3. Letter of M/s. Hiuka Sangyo, Osaka of 12-6-54
4. Pamphlets giving a resume of Kubota Iron & Machinery works, Osaka.

Copy of the letter From:

Hiuka Sangyo Co. ltd.,
5th Floor, Daih yaku, Seimei Bld.,
No.15-1Chome, Dojima-Hamadori,
Kita-Ku, Osaka,
Letter No.10-769, dated 12th June 1954

To
M/s. Hiuka Trading Co.
330, Thambu Chetty St.,
Madras.

Dear Sirs,

Re: 18" C.I. Pipes tender for Manglore.

You have been already requested on phone to try for this tender to your best ability. As you know Japanese policy is to have maximum import and export trade with India, hence we have asked you to quote the very minimum prices for these pipes. For your information we may add that these pipes are being sold at a high r price for our home consumption in Japan, but with a view of overseas trade policy we have pressed the manufacturers to cut down the quotations to the maximum. We presume our prices of Rs.75/7 C.I.F. per yard will be lowest in the world.

The main advantage of this will be, that we shall be able to secure immediate orders from our Govt. to release sufficient exchange to us to buy 30/40 thousand tons of Indian Iron Ore, for which we all are trying so hard for the past few months. You may assure the Sanitary Engineer and the Department that they should expect 100% cooperation from us. There is a growing feeling amongst our people to havea very stable and straight forward dealing with your great country.

We wish you the best of luck in this business.

Thanking you in the meanwhile.

Yours faithfully,
HIUKA SANGYO COMPANY LIMITED.

P.P. Manager.

Copy of the Letter From Kubota Iron & Machinery Works Ltd.
22-2 Funade-cho,
Naniwa-Ku,
Osaka.

Dated 15th June 1954

To
The Sanitary Engineer,
Government of Madras,
Chepauk, Madras-5.
India.

Dear Sirs,

We Kubota Iron & Machinery Works, hereby do solemnly and truly declare and guarantee that we shall supply you through M/s. Hiuka Sangyo Co. Ltd. Osaka Japan, the undermentioned goods of the highest grade suitable for your requirements in conformity with the specification in every respects.

Details & terms of our supply

COMMODITY	: Cast Iron pipes Spigot & Socket Ends. centrifugally Cast Spun Iron conforming to B.S.S. 1211/1945
QUANTITY	: 42,000 R.ft. or more un to 5%
EST PRESSURE	: 400 ft. Water Head.
SPECIFICATION	: Conforring to B.S.S. 1211/1945 (Pipe lenth 6 mtrs as per attached drawing)
PORT OF SHIPMENT	: Kobe (Japan)
PORT OF DESTINATION	: Manglore(India)

Yours faithfully,

KUBOTA IRON & MACHINERY WORKS LTD.

N Kubota
Managing Director.

CODES
ACME
ACME SUPPLEMENT
PRIVATE

HEAD OFFICE
5TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618

CALCUTTA OFFICE
1ST FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL (MADRAS OFFICE)

Ref.No.RS2002/54.

Dated 14th June 1954.

The Sanitary Engineer,
Govt. of Madras,
Chepauk,
Madras.

Dear Sir,

Further to our letter of the 4th instant, we are enclosing herewith a true copy of the letter received from our principals which is self explainatory.

In our tender we have asked your goodselves to open L/C in our favour in Osaka. This has been done with a view to get the import License. Should you feel that opening of an L/C might not be very much possible for the Department then we can write to our principals to agree in some way to the terms of payment as shall be possible for the Department.

Since we don't have much idea of the difficulties you have for calculation and other purpose we shall however suggest that you should arrange a meeting between us and which we trust shall prove very useful to mutual advantage. We sincerely feel that after knowing your mind it will be possible for us to persuade our principals to agree to most of your suggesstions. In case of necessity one of our Directors can come to Madras from Japan.

Thanking you in the meantime.

Yours faithfully,
FOR HIUKA TRADING CO.

Copy of the Letter from:

Hiuka Sangyo Co. Ltd.,
5th Floor, Daihyaku Seimei Bldg.,
No.15 1-Chome, Dojima-Hamadori,
Kita-Ku,
Osaka, Letter No.10-757, dated 7th June '54

To
Hiuka Trading Co.
330, Thambu Chetty St.,
Madras. India.

Dear Sirs,

Re: Kubota 18" Pipe.

As per your telephone, we have to explain you again that M/s. Kubota Iron & Machine Works are one of the biggest and most reputed makes of the Cast Iron Pipes in the world.

As already mentioned, they have supplied and exported huge quantities of thier pipes to India also before the war. We can not give you the names of the different departments to whom their pipes were supplied as all their old records were completely destroyed during the bombardment time in the war. However, the name of Kubota is well known in India as their pipes are still in use in many places in India.

We have given you specially very low prices without keeping any profit for us just to make you successful in the tender and getting sufficient foreign currency earnings to our credit in order to open letter of credit in your favour to purchase Iron Ore from India.

You should appreciate that the local prevailing prices are much nigher in Japan and we have to bring too much pressure on M/s. Kubota Iron & Machinery Works to secure special low export preces.

This was done obviously to enable us to purchase Iron Ore from India which we can not buy due to acute shortage of foreignn currency in Japan. Therefore if we sell you C.I. Pipes from Japan, then we can buy Iron Ore from India to the extent of the same.

Thanking you,

Yours faithfully,
HIUKA SANGYO CO. LIMITED

P.P. Manager.

Encl. Proforma Invoice

CODES
ACME
ACME SUPPLEMENT
PRIVATE
HEAD OFFICE
5TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618
CALCUTTA OFFICE
1ST FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL (MADRAS OFFICE)

Dated 4th June 1954.

The Sanitary Engineer,
Government of Madras,
Chepauk,
Madras.

Dear Sir,

Re: Manglore Municipality Protected Water Supply Schem....Supply & Delivery of Cast Iron Pipes 18" diameter "B" class.

Now that tenders have been opened for the above pipes we wish to bring the following points for your kind perusal and consideration:-

We have quoted Rs.75/7 per yard C.I.F. Manglore or Cochin for the Cast Iron pipes Spigot & Socket Fnds centrifugally Cast Spun Iron conforming to B.S.S. 1211/1945. Now that you may have to calculate our price in terms of F.O.R. Manglore the following points shall be worthy of your consideration and facilities in calculations.

Here we may point out to your goodself that based on 'ifs & buts' i.e. subject to various 'variations' the prices of these pipes F.O.R. Manglore can be quoted, by every one. But the main thing is that we both have to face brass tack - the reality and the stark truth. Now there are not the slightest variations so far as our C.I.F. prices are concerned. To convert it into F.O.R. Manglore or delivered at Manglore the following expenses have to be added:-

(A) Calculating At Our C.I.F. Manglore prices of Rs.75/7 per yard.

1.	Import Duty	71-14-0 per ton
2.	Harbour dues.	5- 8-0 per ton
3.	Clearing & forwarding loading barges rate etc.(considering it to be even double than that of Cochin or Madras as quoted by M/s. Harrison & Crossfield,Cochin	10-0-0 per ton
	Total.	87-6-0

Thus incase delivery at Man lore is made possible, it will cost the Department ~~ex~~ maximum Rs.87-6-0, per ton or in other words Rs.77-2-0 per Spun pipe of 19'8" weighing 1997 lbs as per B.S.S. of 1211/1945 or in other words it will be Rs.11-12-3 per yard. Adding this to our c.i.f. Manglore price of Rs.75/7 per yard it will

cost the Department Rs.87-3-3 per yard.(Eighty seven annas three and pi three only)

In other words there will be a difference of Rs.6-12-9 per yard between ours and and the next best tender and thus there will be a total saving of approximately Rs.88156-0-0(Rs.Eighty eight thousand one hundred and fifty six)

B) Calculating at our C.i.F. Cochin price of Rs.75/7 per yard.

1.	Import Duty on these C.I. pipes	71	14	0 per ton
2.	Port dues at Cochin plus all clearing and forwarding charges and placing f.o.r. Cochin harbour terminus (Rates quoted by M/s. Harrison & Crossfield.Cochin.enclosed)	10	2	4 "
3.	Railway freight from Chochin to Manglore. 265 miles @ Rs.0-14-1 per maund.	23	12	0 "
4.	Insurance from Cochin till unloading at Manglore(not f.o.r. Manglore) @ 1% (as quoated by M/s. Harrison & Crossfield)Cochin	5	12	0 "
	Total	111	8	4

Thus incase delivery is effected at Cochin then it will cost an extra of Rs.111-8-4 per ton to make it f.o.r. Manglore. In other words it will be Rs.99/-per spun pipe of 19'8" weighing 1997 lbs. as per B.S.S. of 1211/1945 or Rs.15/-(fifteen) per yard f.o.r. Manglore. Adding this to our c.i.f. price of Rs.75/7 it will cost the department Rs.90/7/-(Ninty and annas seven only) peryard f.o.r. Manglore.

Hence there will be a difference of Rs.3-9-0 per yard between ours and the next best tender and this will mean a total saving to the Department to the tune of Rs.49875-0-0 (Rs.forty nine thousand and eight hundred and seventy five only)

Besides this saving of approximately Rs.fifty thousand as aforesaid the breakage risk of the pipes in this case shall be fully covered till unloading at Manglore. But most important of all is that there shall be hardly any 'variations' and or 'ifs' and 'buts' Moreover if the department is going to agree to the 'variations' clauses or 'ifs' or 'buts' of the suppliers, in our opinion it will be always safer to handle the job by the Departrent itself.

Our pipes are lengthier and thus shall reduce laying cost to the tune of Rs.25000 approximately to the Department.

Another important redeeming feature about our pipes is that they are longer. Thus whereas in 16 feet long pipes we require 2625 pieces of pipes in our case 2135 pieces of pipes will be required. In other words laying cost of 490 pieces of pipes will be curtailed. Assuming the laying cost of each pipe to be ats.50/- minimum the department will save nearly Twenty five thousand rupees extra. This point however deserves very careful consideration of the department.

Risk of Breakage.

Inspite of the fact that breakage of pipes is fully covered by the insurance, we have agreed to supply up to 5% additional quantities i.e. about 2100 feet of extra pipe. i.e. about 110 lengths. This will be helpful in the event of any breakage, and the work of the department will not suffer. Ofcourse the money for such broken pipescon be recovered from the Insurance company later on. Besides we may add that ours are the best pipes in the world so far as the density) and durability is concerned.

Commercial and Trade Reasons.

Last but not the least there are some other factors attached i.e. of trade between India and Japan. Japan today is the biggest buyer of Indian Iron and Manganese Ores, Scraps, and other minerals in bulk quantities. In fact today India's 75% export of the above items are made to Japan. There are hardly any buyers of the above items in other countries. Japan today is in need of more and more of these ores which India has abundant to supply. But Japan today is unable to buy our ores as she is suffering for want of 'Exchange' and shortage of sterling. The net result of this 'exchange' difficulties in Japan is that thousands and thousands of tons of ores belonging to South Indian Mine Owners and Suppliers is lying at various pit heads, rail heads and on all South Indian ports which they are unable to dispose off. It is a pity that whereas Japanese mills are anxious buyers and south Indian exporters are anxious sellers inspite of that no business is possible due to exchange difficulties and shortage of sterling in Japan.

Incase however, the department decides to place the order with M/s. Kubota Iron & Machinery Works, Osaka, through us, we in turn shall be able to press the Japanese Govt. through our principals to open L/C of equivalent amount for the purchase of Indian ores etc. Thus whereas by this way the south indian exporter's position which is now full bottle-necked will be very much easier (as they shall be able to export about 20/30 thousand tons of Iron Ore to Japan) our National Govt. will gain considerably by way of this export. And the most important of this all is that the money paid coffers of national Govt. with profits by way of these exporters of ores. We however don't stress upon this point as a basis of placing order with Japan, but as true and loyal citizens of the Indian Union we should spend our monies and revenues to the best of our country's advantage.

We however, wish if we could patronise our manufacturers it is the best. But should for various reasons the Department decides to go in for imported pipes, then we shall request you to give preference to the Japanese made spun pipes for reasons of their cheapness in prices, durability of goods and various other reasons as explained above.

We trust, we have explained quite in detail, to the best of our ability but should the department needs further clarrifications, we shall deem it a favour to discuss.

Thanking you and assuring you of our best co-eration in the meantime.

We are,
Dear Sirs,
Yours faithfully,
FOR HIJKA TRADING CO.

K. S. Hara

Copy of the letter from Harrisons & Crossfield Ltd.
Post Box No.4
Cochin:1
dated 31st May 1954.

To
Hiuka Trading Co.
330 Thambu Chetty St.
Madras.

Dear Sir,

We thank you for your enquiry of 28th May which reached us this morning and have pleasure in quoting for clearing and placing F.O.R. Cochin Harbour Terminus 2000 tons of 18" Cast Iron pipes from Japan each pipe weighin about 2000 lbs.

Block fee (port landing charges which include 4 days free storage)	Rs.5-5-4 per ton of 20 cwt. or 50 cft.
Clearing through port and customs and placing f.o.r. cochin harbour terminus	Rs.4-14-0 per ton

The above rates are subject to the cargo being discharged at the Willingdon Island Wharf and do not include any landing charges payable to the steamer agents if the carrying vessel is unable to secure a wharf berth and the cargo is discharged in the stream, addition expenses if the goods are shifted by the port Authorities from the point of discharge, survey fees etc. all of which if incurred will be charged extra at actual rates with supporting vouchers wherever available.

Transit dues (godown rent) will commence 4 days after date of landing at the following rates:-

On consignment up to 10 tons	Rs.0-8-0 per ton per day
Over 10 and up to 50 tons	Rs.0-4-0 " "
Over 50 tons	Rs.0-2-0 " "

plus 33 1/3% surcharge.
Double the above rates during second week and triple rates threafter.

Transit dues incurred while the pipes are awaiting supply of wagons will be for youraccount.

Duty is payable as under:

Iron and Stell pipes if rivetted or built up of plates or sheets.	Rs.41/- pe. ton plus 1/4% the total duty under item 63(17 of the Indian customs tariff;
Iron and stell pipes not otherwise specified	19 17/32% ad valorem under item 63 (18) of the Indian customs tariff.

We shall take all precautions to protect your interests bu cannot accept any liability for loss or damage which should be covered by insu ance. We can arrange insurance cover from cochin to Manglore at 1% against the risks of rail, road, backwater, theft, pilferag , breakage, freshwater and oil.

We are requesting our Kozhikode office to submit you their rates ror clearing and delivering ex customes at Manglore.

Yours faithfuly,
Harrisons & Crossfield.

CODES
ACME
ACME SUPPLEMENT
PRIVATE

HEAD OFFICE
5th FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 I-CHME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618

CALCUTTA OFFICE
1st FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL (MADRAS OFFICE)

2nd June 1954.

The Sanitary Engineer,
Government of Madras,
Chepauk,
Madras.

Dear Sir,

Re: Manglore Municipality protected water suppy scheme....supply & Delivery of Cast Iron Pipe 18" diameter "B" class.

With reference to your above tender dated 25-3-54, we take this opportunity to quote you in detail as below. For your information we are exclusive agents of M/s. Kubota Iron & Machinery Works Ltd. Osaka. (Japan) who are the world famous manufacturers of Cast Iron Pipes and who have earned a great reputation and name in all countries for their top superior technique in this line. Substantial quantities of Kubota pipes have been supplied and are in use, all over the world including India, with utmost satisfaction.

Details & Terms of our Supply.

1. COMMODITY: Cast Iron pipes Spigot & Socket Ends centrifugally Cast Spun Iron conforming to B.S.S.1211/1945
2. QUANTITY : 42,000 Rft or more up to 5%
3. TEST PRESSURE: 400 ft water Head.
4. SPECIFICATIONS: Conforming to B.S.S. 1211/1945.
5. LENGTH PER PIECE: 19'8" (nineteen feet eight inches) or 6 meters weighing 1997 lb each piece.
6. PLACE OF DELIVERY: Mukogawa Plant of M/s. Kubota Iron & Machinery Works Ltd., Osaka. (Japan)
7. PORT OF SHIPMENT: Kobe (JAPAN)
8. TIME OF DELIVERY: Total deliveries to be completed within six months or earlier after the receipt of Govt. order with confirmed L/C, and subject to import license to be arranged by the Authorities for us.
9. PRICES: Equivalent of Rs.75/7. (Rs.Rupees seventy five annas seven) in sterling per yard C.I.F. Cochin or C.I.F. Manglore, excluding any import duty, Sales Tax or Local tax, harbour dues or any other charges dues or taxes etc. etc.

ncase of cochin port however, if on arrival the ship is placed along side the wharf, and the wagons are placed by the Department we undertake to unload the pipes in the wagons, so that the Department can get the pipes on Rails at Cochin.

In case of Manglore port, if the weather and other conditions permit, the ship can be brought there. But it will be the responsibility of the Govt. to get us permission to enter and move the ship in the port of Manglore. Also all unloading charges, arrangement of the barges and their charges and all other miscellaneous expenses shall be on departments account.

But in both the cases i.e. at Cochin Port or Manglore Port, the ship must not be made to stary beyond the due scheduled time. Incase, however, the ship is delayed at the harbour then the departrert will be responsible to pay theusual detention charges of the ship for this extra period

10. INSPECTION. Inspection will be executed at the above mentioned factory by Japan water works Association, whose certificate could be attached with the documents. We however also undertake to render every facility of Inspection by D.G.I.S.D. London or his authorised representative at the work site. All fees and out-of-pocket charges for such inspection to be borne by Govt, and should be added to our quotation.

11. INSURANCE: We undertake to insure the pipe consignments against all risks including breakage from port to port i.e. Kobe to Cochin or Manglore port.

12. BREAKAGE: We will arrange to put additional quantities of pipes in our shipment so as to cover breakage, but Govt. must accept and pay up to 5% extra pipes if received all in satisfactory conditions.

13. PAYMENTS: Govt. should open an irrevocable, divisible and transferable L/C without recourse in our favour in Osaka for payment of 90% against the shipping documents and balance 10% to be paid after receipt of the consignment in satisfactory condition at the destination unloading port of Cochin or Manglore, after which our responsibility ceases completely Incase of cochin our responsibility ceases when the pipes are unloaded in the harbour or in the Govt. provided wagons, in satisfactory condition. But in case of Manglore Port our responsibility ceases when the pipes are loaded into Govt. provided barges.

14. EARNEST MONEY & SECURITY DEPOSIT: We agree to your terms but our depositis should be refunded promptly on receipt of pipes in sound condition at unloading ports.

15. We agree to keep our offer open to 31-7-54, only without any extention

In the end we may mention that we undertake to gove our fullest cooperation to Dept. in respect of earlier supplies and are open to all reasonable negotiation. We have agreed to all your terms excepting that of F.O.R. Manglore which is rather out of our control and more a local business. We however shall do our best to bring the ship at Manglore port which will save enormous railway freight to the Govt. We reciprocally expect the same cooperation from the Dept. to help us to satisfy them to our utmost.

Thanking you we remain,

Yours faithfully,
FOR HUKA TRADING CO.

P. Ltr

Enclosure:

1. Blue print of pipe.
2. Illustration Pamphlet of the pipe, showing complete specific tion.
3. Reserve Bank of India challan No.3596 of 1st June 1954 for Rs.10000/- (Ten thousand) as earnest money.

1394

HUDRA TRADING CO.
(MADRAS OFFICE)
ACME
ACME SUPPLEMENT
PRIVATE
HEAD OFFICE
CALCUTTA OFFICE
"HUDRA"
Via AIR MAIL
(MADRAS (INDIA)
23 JUL 1954
Medical
REPUBLICAN, MADRAS

Immediate.

Endorsement. No. 738104 VI/54-1 dated 23.7.54

Health, Education and Local Administration Department.

Referred to the Sanitary Engineer for immeidate remarks.

S. A. Swamy 23.7.54

Joint Secretary to Govt.,
H.E.L.A.Dept.

col 23/7/54

To the Sanitary Engineer,
Chepauk, Madras.

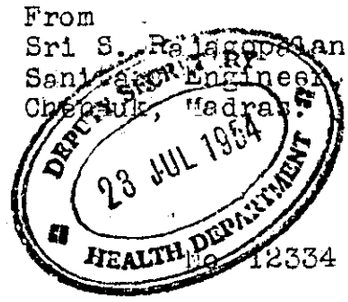
fol 23.7.54

Confidential.

SANITARY ENGINEERING BRANCH (P.W.D.)

From
Sri S. Rajagopalan, B.E., M.I.E.,
Sanitary Engineer,
Chepauk, Madras.

To
The Joint Secretary,
Health, Education & Local Administration Department,
Fort St. George, Madras.



No. 12334 W1/54-1 Dated 23 /7/54.

Sir,

Sub: Mangalore Municipality - Water Supply Scheme - 18" dia. Cast Iron Pumping Main - Tenders for supply of 42,000 ft.

Ref: Your Endt.No. 73810 H-VI/54-1 dated23-7-54

The points raised in the Firm's letter dated 22nd instant addressed to the Hon'ble Minister for Health are mostly a restatement of their earlier representations in regard to their original tender. I may, however, mention the following factors bearing on their successive letters addressed to the Sanitary Engineer subsequent to the opening of the tenders.

2. Sri R.S. Hoon of the firm sought an interview with me and the Executive Engineer (Designs) of this Office about 2 days before the final date fixed for the receipt of tenders. At his request the Executive Engineer (P.H.) (Designs) who was till recently the Assistant Engineer (P.H.) at Mangalore explained to him the poor facilities for unloading ship loads of pipes at Mangalore Port. I also gave him to understand that the Department would be interested in having the pipes on F.O.R. Mangalore basis. Nevertheless the firm chose to tender for the pipes on C.I.F. Cochin basis only. Having done so, they have been expatiating on the advantages to the Department if the pipes are accepted on a C.I.F. Cochin basis instead of F.O.R. Mangalore basis. So much so, they have even sought to prove (in their latest letter to me dated 21st inst.) how with a defaulting tenderer the Department would lose more if F.O.R. Mangalore basis was followed for imported pipes. In their anxiety to score a debating point the firm have overlooked the obvious point that the entire quantity of pipes could be landed at Cochin not as a single but under several consignments, so that their calculation based on a single payment for the entire contract is fallacious to a degree, even assuming that the tenderers selected by the Department was one likely to default during the operation of the contract.

3. Loss or no loss, the Department cannot afford to award such major contracts to any firm without first ensuring on their antecedents and reliability. The Orient Engineering and Commercial Co., as also the South Indian Export Co. Ltd., have both satisfied the Department in these respects. The Hiuka Trading Co. is new to the Department and would also seem to be new to this line of business. And, judging from the trend of the correspondence subsequent to the opening of the tenders, I must express my doubt as to their reliability for carrying through a contract of this huge nature and magnitude to the satisfaction of the Department. Their attempt to strain over points like proof of damaged pipes on F.O.R. Mangalore basis, and loss to the Department on F.O.R. Mangalore basis with a defaulting contractor, indicates if anything their peculiar mental approach to the problem.

4. The firm first tendered on C.I.F. Cochin basis and insisted on a letter of credit and full scale responsibility to be assumed by the Department for Import Licence, procurement of waggons and similar facilities. Subsequently they indicated how their C.I.F. Cochin rate would work out to be the cheapest in respect of F.O.R. Mangalore rate. At a subsequent stage again they have now withdrawn their conditions about letter of credit and have also offered to supply the pipes F.O.R. Mangalore themselves.

5. I have already discussed the relative merits of the several offers received including that of M/s. Kiuka Trading Co. in my letter No.9946 W2/54-1 Dated 14-6-1954. There is no additional point now which deserves to be mentioned in that regard except that the foriegn exchange for Japanese pipes also could be had in the soft Currency. But the offer of this firm does not deserve any re-consideration on this account. If we were to countenance such modifications and retractions from sealed tenders, other competing firms who had quoted for imported pipes may also claim similar opportunities.

Encl: 1

23/7/54

SANITARY ENGINEER.

La.23/7.

Copy submitted to the Chief Engineer P.W.D (General & Irrigation) for information

Same as Pp 33 - b

73

CODE
ACME
ACME SUPPLEMENT
PRIVATE

HEAD OFFICE
5TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRES:
"HIUKA"
TELEPHONE: 26

CALCUTTA OFFICE
1ST FLOOR, COMMERCIAL HOUSE
[illegible] CANNING STREET
CALCUTTA (INDIA)

MINISTER FOR HEALTH
26 JUL 1954
GOVERNMENT OF MADRAS

Via AIR MAIL (MADRAS OFFICE)

Ref.No.RS120/54.

Dated 22nd July 1954.

J.S., H.E+L.A.
26/7

ADDL. DY. SECRETARY TO GOVT.
74245A
26 JUL 1954
HEALTH, EDN. & LOCAL ADMN. DEPT.

Honourable Sri. A.B. Shetty,
Minister for Public Health,
Government of Madras,
Madras.

Dear Sir,

Re: Tender for surply of 42000 Rft 18" C.I. pipes for Mangalore Muricipality Protected Water supply Scheme.

The above tenders were invited and opened by the Sanitary Engineer, Government of Madras on 2-6-54.

Our Tender Lowest in price.

At the time of opening of the tenders it was revealed and announced that our rates of Rs.75/7 per yard C.I.P. Cochin or Mangalore are the lowest in as much that there is a minimum difference of Rs.49000/- between ours and the next best tenderer in price only incase our goods were brought first to Cochin and then transhipped to Mangalore.

Incase the Govt. could manage to take delivery at Mangalore there would be a minimum difference of about Rs.88000 (eighty eight thousand). Full details in support of the above figures are given in our letter of 4th June addressed to the Sanitary Engineer, copy of which is attached for your kind perusal.

Our pipes lengthier than others and thus save laying cost to the of about Rs.50000/- to the Govt.

Apart from the fact that our prices are the lowest, the Govt. will save another Rs.50000/- by way of laying cost as our pipes are longer than others. Full details explained in our letter of the 4th June and 21st July addressed to Sanitary Engineer. (copies enclosed)

Our Insurance Clause means a saving of Rs.10000/- to the Govt.

In the original tender it was however specified that the

pipes should be fully insured inclusive of the risk of breakage till F.O.R. Manglore. This is however a very controversial issue and we discussed with Sanitary Engineer a couple of days before the opening of the tender. F.O.R. means FREE ON RAILS. If pipes reach Manglore than as per the terms of tender the pipes should be checked while the pipes are loaded in the wagons, which it is impossible to check unless they are unloaded. The goods as per tender are insured F.O.R. Manglore for risk of breakage etc. As soon as they are unloaded the insurance risk ends, and it would be a highly controversial point as to know whether the pipes broke in Transit from Cochin to Manglore or at the time of unloading by Govt. labour from the wagons at Manglore. This is however ar extra saving of Rs.10000/-for the Department.

Commercial and Trade Reasons.

There are some other factors attached i.e. of trade between India and Japan. Japan today is the biggest buyer of Indian Iron and Manganese Ores, Scraps, and other minerals in bulk quantities. In fact today India's 75% export of the above items are made to Japan. There are hardly any buyers of the above items in other countries. Japan today is in need of more and more of these ores which India has abundant to supply. But Japan today is unable to buy our Ores as she is suffering for want of 'Exchange' and shortage of sterling. The net result of this 'exchange' difficulties in Japan is that lakhs of tons of ores belonging to South Indian Mine owners and suppliers is lying at various pit heads, rail heads and on all south Indian ports which they are unable to dispose off. It is a pity that whereas Japanese mills are anxious buyers and South Indian exporters are anxious sellers inspite of that no business is possible due to exchange difficulties and shortage of sterling in Japan.

Incase, however, the Madras Govt. decides to place the order with us, we in turn shall be able to press the Japanese Govt. through our principals to open L/C of equivalent amount for the purchase of Indian ores etc. Thus whereas by this way the South Indian exporter's position which is now fully bottlenecked will be very much easier, (as they shall be able to export about 40/50 thousand tons of iron Ore to Japan), our national Govt. will gain consideably by way of this export. And the most important of this all is that the money paid by the Madras Govt. for purchase of these pipes will again come back to the coffers of national Govt. for purchase of these with profits by way of these exports of ores. We however don't stress upon this point as a basis of placing order with us, but as true and loyal citizens of the Indian Union we should spend our monies and revenues to the best of our country's advantage.

We however, wish if we could patronise our manufacturers it is the best, But should for various reasons the Govt. decided to go in for imported pipes, then we shall request you to give preference to the Japan se made spun pipes for reasons of their cheapness in price durability of goods and various other reasons as explained above.

Slight Variations by us in the original tender.

Whereas the Sanitary Engin er invited rates f.o.r. Manglor or FO.R. Cochin, we have quoted rates C.I.F. Manglore/or Cochin. Since we are prepared to bring our ship to Manglore port the question of F.O.R. Manglore does not arise with us. We undertook to supply pipes at the same price whether at Manglore port or cochin port.

As regards terms of payment the department has written in the tender that the tenderer should agree to accept 90% payment against shipping documents and balance 10% after the arrival of the goods.

Since the department never mentioned in the original tender form in what way 90% payment will be made by the depatment, we have asked the usual formal way of payment by a letter of Credit. Japan is a soft currency area and L/C can be opened easily. Since we were told later that the Govt. may not like to open an L/C we subsequently offered to withdraw our L/C clause, and as such at this stage we have agreed to all the terms of payment etc of the department which however they did not make it clear earlier.

Defects in making 90% payment on F.O.R. value.

As explained in detail in our letter of 21st inst. to the Sanitary Engineer that there might be a chance of loss of Rs.75000/- to the Govt. if they make 90% payment on total value.

We on our side have tried to explain things to the best of our capability, but should your Honour may feel further clarification necessary, we shall be too glad to comeand explain at any time convenient to you. Here it will not b out of place to inform your Honour that the last date for final decision is 31st July 1954 i.e. only 9 days more.left.

Our principals overseas representative has yesterday come from Japan and would be glad to seek interview with your honour and will deem it a pleasure to explain details to your goodself.

Assuring you of our best services.

Thanking you,

Yours faithfully,
FOR HIUKA TRADING CO.

Encl.
True copies of letters written
to the Sanitary Engineer Madras.

CODES
ACME
ACME SUPPLEMENT
PRIVATE " "

HEAD OFFICE
5TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618

CALCUTTA OFFICE
1ST FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL (MADRAS OFFICE)

Ref.No.RS117/54.

Dated 21st July 1954.

The Sanitary Engineer,
Government of Madras,
Chepauk,
Madras.

Dear Sir,

Re: 18" C.I. Pipes for Manglore.

We very much regret to say that inspite of our various letters written to your goodself, we have not had any reply from your end. Now that we are reaching to the fag end of the month and that decision has to be taken by the 31st July, we once again request you to please consider our suggestions and favour us with your reply. After all discussion and negotiations will always be benificial to mutual advantage.

We however still feel that there is absolutely no difference in the terms of payment as stipulated in the tender and as asked by us, so long the Department pays and we accept only 90% and no more whether in Osaka by way of an L/C or in India by a cheque issued by the Department.

Japan is soft currency area and L/C can be opened very easily, but should the Department find our L/C clause not possible to meet with for some reasons, we therefore withdraw our L/C clause and agree to your terms of payment as stipulated by your goodselves in the tender. i.e, 90% against shipping documents supported by an inspection certificate of I.S.D. London or their authorised agent. 5% when the goods are landed and put on rails and R/R's obtained at Indian port of landing and balance 5% on receipt of goods F.O.R. Manglore. If the pipes are unloaded at Manglore than the terms will be 90% as mentioned above and 10% when the pipes reach in Manglore harbour and inspected and tested by your officers. We however expect that incase it is necessary you will assure our bankers of your above terms of payment as mentioned in the tender. These terms ofcourse subject to our getting an Import License as stipulated by you in the tender.

As written by us in ours of 4th June we may assure the department that the additional expenses after our C.I.F. Cochin price of Rs.75/7 per yard to be incurred by the department to make them F.O.R. Manglore will not go beyond what we have written in our letter of 4th inst. i.e. Rs.111-8-4 per ton so as to make the price of pipes Rs.90-7-0 per yard F.O.R. Manglore subject to the availability of wagons and of the ship getting berth along side the wharf in the harbour etc. as mentioned by M/s. Harrisons & Crossfield, vide their letter No. nil dated 31st May received by

us on the 2nd June 1954, and a copy of which has already been sent to you, along with our letter of 4th inst.

We may also add that it will not mean very much additional expense to the department by way of staff etc. as the departmental officers and staff who will check up the pipes at the port of landing (Cochin) can also check up the loading and unloading operation which will be done by an experienced firm of long standding and reputation. Assuming little extra expense on supervision by the department the pipes will not cost the department beyond Rs.91/- per yard in any case. We however also undertake to give ample notice i.e. of about 30 days to department of the arrival of the ship at the Indian port to enable the department to arrange for the wagons and other facilties at the harbour. Thus the Government will be saving nearly Rs.42,000 (Forty two thousand) if the order is placed with us than if it chooses the next best tender.

Our pipes are lengthier and thus save laying cost.

As already written by us in ours of 4th inst. that our pipes being lengthier than other manufacturers, the Government will save laying cost of about 490 pcs. We have been informed by our manufacturers that laying cost of each pipe is over Rs.100 and not 50/- as we wrote earlier. Thus the Govt. will save nearly forty nine thousand Ru ees extra incase the Govt. decides to take up our pipes.

Better facilities if loading & unloading done by the Govt.

We may also furtner point out that by experience we have known that facilities offered by other Govt. departments i.e. Railway authorities, (in allotment of wagons) and Harbour authorities (in providing immediate bearth space etc.) will be 100 times more when they krow that the clearing and forwarding is being done by one of the sister Govt. department, then what, they usually allow to firms like us, although we may be clearing and the priority goods for the Govt. Sanitary Department. Thus we are sure that if department decides to do the job themselves, there will behhardly or no delay in getting wagons and other facilities which will avoid all possible wharfrage and other superflous expenses.

No Deviation from Original contrat.

We also take here the opportunity to add that we have not at all deviated from the terms of contract. It is evident that the firm who quotes lowest C.I.F. prices will be also lowest on F.O.R. prices. After all difference between C.I.F. and F.O.R. prices is only Import duty (which is fixed by Govt.) Railway freight which is also fixed by Govt.) and unloading and loading charges, which are also semi officially fixed. The business profits of any firm will be in the bulk supply of pipes and not on Import duty, Railway freight, Insurance, loading, and unloading charges. Thus you will appreciate that this is not a case of an after thought, but case based on facts and truths.

Here it will not be out of place to add that the Govt. if it is to encourage healthy competition in order to get the lowest

quotations from other foreign countries should also try to understand the difficulties, of export policies of other countries. Japan today cannot export any goods unless they are support by a 100% L/C. It was with enormous difficulties our principals made agree the Japanese Govt. to agree to 90% and 10% as mentioned in your tender explaining that this was also a government of Madras Tender.

We however see no reason why should Govt. of Madras loose ninty thousand to a lakh of Rupees simply on the point of how to make payment. This is a point of mutual adjustment. In business there is always give and take and it is never wise to stick 100% on your own way of thinking, when you find reason in others arguments. Sometime one's own way of thinking can be wrong, inspite of the fact that he may be obsolutely certain about it.

90% payment against documents.

Here we may very respectfully point that where as the Govt. will be obsolutely safe in making 90% payment against our C.I.F. Price of 75/7 and balance afterwards. Alternatively the position of the Govt. will be rather unhappy if they make 90% payment on F.O.R. Manglore basis.

Supposing F.O.R. Manglore price come to Rs.91/-per yard.

(i) Total value of 42000 Rft will be:		12,74000
(ii)90% of above to be paid by Govt. on receipt of documents.	:	11,46600
(iii)Balance 10% with Govt.	:	1,27400

Thus till final completion of the job is done the Govt. will hold with them a sum of Rs.1,27400 in account of the supplier. Including 20,000/- of security money there will be a holding of Rs.1,47400 to be paid after the successful completion of the job by the supplier. But if unfortunately after accepting 90% payment the suppliers fails or refuses to complete the job the Govt. the Govt will have only Rs.14,7400/- in the supplier account. If your goodselves will once again refer to our letter of 4th June, your goodself will appreciate that this amount of 147400 will hardly cover the cost of Import duty on pipes which calcutated @ 71/14/- per ton on 42000 Rft i.e. about 2000 tons will be 143750/- Then there will be Railway freight of about Rs.48000/- plus another Rs.32000 by way of clearing forwarding insurance.

Thus if the supplier fails after accepting 90% payment Govt. inspite of their holding 10% of F.O.R. Manglore value will loose a minimum of Rs.75000/- in cash and will also undergo risk of breakage ectc. This amount will go up if the F.O.R. Manglore price will be Rs.94/6/- or more.

Thus we very respectfully differ and still maintain that our C.I.F. rates should be more suitable to the Govt. But incase however should the department feel that what we have stated is not correct and possible then we are quite prepared to handle this job with in the above mentioned rate on F.O.R. Manglore terms, or delivery Manglore harbour.

Thus we leave it at the option of the Department to either accept our original offer of C.I.F. Cochin/Manglore dated 2-6-54 or F.O.R. Manglore offer as written by us, which ever is found convenient. We on our side are fully prepared to make a contract on any of the above terms, suitable to the Department.

Insurance Clause & Breakage risk F.O.R. MANGLORE.

We may also add that our quotations include the breakage risk till unloading of the goods at Manglore and not F.O.R. Manglore as stipulated in the tender. This could be a very controversial point, as it is impossible to check breakage of pipes at Manglore while they are F.O.R. Manglore and are loaded in wagons. Thus it will not be possible to decide, whether the pipes have been broken in Transit between Cochin to Manglore or they have been broken at Manglore while at the time of unloading from the Railway wagons by your labour. Please note that incase of F.O.R. Manglore the responsibility of the supplier will cease as soon as the wagons arrive at Manglore. Our taking up of the breakage risk till unloading at Manglore will be of great advantage to the Department.

Although, your goodself has not thought it necessary to call and discuss with us this matter. We, however, still maintain that if the Department changes its mind and chooses to discuss this matter with us, the results may prove beneficial to mutual advantage.

Thanking you and hoping to hearing from your goodself at the very earliest convenience.

Yours faithfully,
THE HUKA TRADING CO.

P. S. Hoon

CODES
ACME
ACME SUPPLEMENT
PRIVATE

HEAD OFFICE
5TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-CHOME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE 2618

CALCUTTA OFFICE
1ST FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL

(MADRAS OFFICE)

Ref.No.RS2616/54.

Dated 21st June 1954.

The Sanitary Engineer,
Govt. of Madras,
Chepauk, Madras.

Dear Sir,

We are enclosing herewith the guarantee letter in orginal of M/s. Kubota Iron & Machinery works, Osaka written in your favour.

We are also enclosing herewith a pamphlet giving a resume of Kubota Iron & Machinery Works. As you will see it has a paid up capital of ¥1.680,000,000.00 and it has aproduction capacity of 150,000 Tons annualy. This means that the total order of 42000 Rft of 18" C.I. Pipes is only 5 days production.

We still very anxiously await your kind reply to our of the 14th inwhich we have asked your goodself to let us know if opening of an L/C is not possible for the department, so as to enable us to find out other means of payment which should be within the scope of the Department. Infact we have instructions to fully cooperate with the department on all such points where you find any difficulty to move further in this matter.

We shall always be at your call should you need any clarification on any particular point or issue.

Assuring your of our best services in the meantime.

Yours faithfully,
FOR HIUKA TRADING CO.

R. S. Hoon

Encl.
1. Guarantee letter of M/s. Kubota Iron & Machinery Works, Osaka of 15-6-54.
2. Drawing of 18" C.I. Pipes.
3. Letter of M/s. Hiuka Sangyo, Osaka of 12-6-54
4. Pamphlets giving a resume of Kubota Iron & Machinery works, Osaka.

Copy of the letter From:

Hiuka Sangyo Co. ltd.,
5th Floor, Daih yaku, Seimei Bld.,
No.15-1Chome, Doj ma-Hamadori,
Kita-Ku, Osaka.
letter No.10-769 dated 12th June 1954

To

M/s. Hiuka Trading Co.
330, Thambu Chetty St.,
Madras.

Dear Sirs,

Re: 18" C.I. Pipes tender for Manglore.

You have been already requested on phone to try for this tender to your best ability. As you know Japanese policy is to have maximum import and export trade with India, hence we have asked you to quote the very minimum prices for these pipes. For your information we may add that these pipes are being sold at a higher price for our home consumption in Japan, but with a view of overseas trade policy we have pressed the manufacturers to cut down the quotations to the maximum. We presume our prices of Rs.75/7 C.I.F. per yard will be lowest in the world.

The main advantage of this will be, that we shall be able to secure immediate orders from our Govt. to release sufficient exchange to us to buy 30/40 thousand tons of Indian Iron Ore, for which we all are trying so hard for the past few months. You may assure the Sanitary Engineer and the Department that they should expect 100% cooperation from us. There is a growing feeling amongst our people to have a very stable and straight forward dealing with your great country.

We wish you the best of luck in this business.

Thanking you in the meanwhile.

Yours faithfully,
HIUKA SANGYO COMPANY LIMITED.

P.P. Manager.

Copy of the Letter From Kubota Iron & Machinery Works Ltd.

22-2 Funade-cho,
Naniwa-Ku,
Osaka
Dated 15th June 1954

To

The Sanitary Engineer,
Government of Madras,
Chepauk, Madras-5,
India.

Dear Sirs,

We Kubota Iron & Machinery Works, hereby do solemnly and truly declare and guarantee that we shall supply you through M/s. Hiuka Sangyo Co. Ltd. Osaka Japan, the undermentioned goods of the highest grade suitable for your requirements in conformity with the specification in every respects.

Details & terms of our supply

COMMODITY	: Cast Iron pipes Spigot & Socket Ends, centrifugally Cast Spun Iron conforring to B.S.S. 1211/1945
QUANTITY	: 42,000 R.ft. or more up to 5%
TEST PRESSURE	: 400 ft. Water Head.
SPECIFICATION	: Conforming to B.S.S. 1211/1945 (Pipe lenth 6 mtrs as per attached drawing)
PORT OF SHIPMENT	: Kobe (Japan)
PORT OF DESTINATION	: Mangloro(India)

Yours faithfully,

KUBOTA IRON & MACHINERY WORKS LTD.

N.Kubota
Managing Director.

CODES
ACME
ACME SUPPLEMEN
PRIVATE
HEAD OFFICE
5TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 19 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618
CALCUTTA OFFICE
1ST FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL

(MADRAS OFFICE)

Ref.No.RS2002/54.

Dated 14th June 1954.

The Sanitary Engineer,
Govt. of Madras,
Chepauk,
Madras.

Dear Sir,

Further to our letter of the 4th instant, we are enclosing herewith a true copy of the letter received from our principals which is self explainatory.

In our tender we have asked your goodselves to open L/C in our favour in Osaka. This has been done with a view to get the import License. Should you feel that opening of an L/C might not be very much possible for the Department then we can write to our principals to agree in some way to the terms of payment as shall be possible for the Department.

Since we don't have much idea of the difficulties you have for calculation and other purpose we shall however suggest that you should arrange a meeting between us and which we trust shall prove very useful to mutual advantage. We sincerely feel that after knowing your mind it will be possible for us to persuade our principals to agree to most of your suggesstions. In case of necessity one of our Directors can come to Madras from Japan.

Thanking you in the meantime.

Yours faithfully,
FOR HIUKA TRADING CO.

Copy of the Letter from:

Hiuka Sangyo Co. Ltd.,
5th Floor, Daihyaku Seimei Bldg.,
No.15 1-Chome, Dojima-Hamadori,
Kita-Ku,
Osaka, Letter No.10-757, dated 7th June '54

To
Hiuka Trading Co.
330, Thambu Chetty St.,
Madras. India.

Dear Sirs,

Re: Kubota 18" Pipe.

As per your telephone, we have to explain you again that M/s. Kubota Iron & Machine Works are one of the biggest and most reputed makes of the Cast Iron Pipes in the world.

As already mentioned, they have supplied and exported huge quantities of thier pipes to India also before the war. We can not give you the names of the different departments to whom their pipes were supplied as all their old records were completely destroyed during the bombardment time in the war. However, the name of Kubota is well known in India as their pipes are still in use in many places in India.

We have given you specially very low prices without keeping any profit for us just to make you successful in the tender and getting sufficient foreign currency earnings to our credit in order to open letter of credit in your favour to purchase Iron Ore from India.

You should appreciate that the local prevailing prices are much higher in Japan and we have to bring too much pressure on M/s. Kubota Iron & Machinery Works to secure special low export prices.

This was done obviously to enable us to purchase Iron Ore from India which we can not buy due to acute shortage of foreign currency in Japan. Therefore if we sell you C.I. Pipes from Japan, then we can buy Iron Ore from India to the extent of the same.

Thanking you,

Yours faithfully,
HIUKA SANGYO CO. LIMITED

P.P. Manager.

Encl. Proforma Invoice.

CODES
ACME
ACME SUPPLEMENT
PRIVATE

HEAD OFFICE
5TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618

CALCUTTA OFFICE
1ST FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL (MADRAS OFFICE)

Dated 4th June 1954.

The Sanitary Engineer,
Government of Madras,
Chepauk,
Madras.

Dear Sir,

Re: Manglore Municipality Protected Water Supply Schem....Supply & Delivery of Cast Iron Pipes 18" diameter "B" class.

Now that tenders have been opened for the above pipes we wish to bring the following points for your kind perusal and consideration:-

We have quoted Rs.75/7 per yard C.I.F. Manglore or Cochin for the Cast Iron pipes Spigot & Socket Ends centrifugally Cast Spun Iron conforming to B.S.S. 1211/1945. Now that you may have to calculate our price in terms of F.O.R. Manglore the following points shall be worthy of your consideration and facilities in calculations.

Here we may point out to your goodself that based on 'ifs & buts' i.e. subject to various 'variations' the prices of these pipes F.O.R. Manglore can be quoted, by every one. But the main thing is that we both have to face brass tack - the reality and the stark truth. Now there are not the slightest variations so far as our C.I.F. prices are concerned. To convert it into F.O.R. Manglore or delivered at Manglore the following expenses have to be added:-

(A) Calculating At Our C.I.F. Manglore prices of Rs.75/7 per yard.

1.	Import Duty	71-14-0 per ton
2.	Harbour dues.	5- 8-0 per ton
3.	Clearing & forwarding loading barges rate etc.(considering it to be even double than that of Cochin or Madras as quoted by M/s. Harrison & Crossfield,Cochin	10-0-0 per ton
	Total.	87-6-0

Thus incase delivery at Manglore is made possible, it will cost the Department ~~ex~~ maximum Rs.87-6-0, per ton or in other words Rs.77-2-0 per Spun pipe of 19'8" weighing 1997 lbs as per B.S.S. of 1211/1945 or in other words it will be Rs.11-12-3 per yard. Adding this to our c.i.f. Manglore price of Rs.75/7 per yard it will

cost the Department Rs.87-3-3 per yard.(Eighty seven annas three and pie three only)

In other words there will be a difference of Rs.6-12-9 per yard between ours and and the next best tender and thus there will be a total saving of approximately Rs.88156-0-0(Rs.Eighty eight thousand one hundred and fifty six)

B) Calculating at our C.i.F. Cochin price of Rs.75/7 per yard.

1.	Import Duty on these C.I. pipes	71	14	0 per ton
2.	Port dues at Cochin plus all clearing and forwarding charges and placing f.o.r. Cochin harbour terminus (Rates quoted by M/s. Harrison & Crossfield.Cochin.enclosed)	10	2	4 "
3.	Railway freight from Chochin to Manglore. 265 miles @ Rs.0-14-1 per maund.	23	12	0 "
4.	Insurance from Cochin till unloading at Manglore(not f.o.r. Manglore) @ 1% (as quoated by M/s. Harrison & Crossfield)Cochin	5	12	0
	Total	111	8	4

Thus incase delivery is effected at Cochin then it will cost an extra of Rs.111-8-4 per ton to make it f.o.r. Manglore. In other words it will be Rs.99/-per spun pipe of 19'8" weighing 1997 lbs. as per B.S.S. of 1211/1945 or Rs.15/-(fifteen) per yard f.o.r. Manglore. Adding this to our c.i.f. price of Rs.75/7 it will cost the department Rs.90/7/-(Ninty and annas seven only) peryard f.o.r. Manglore.

Hence there will be a difference of Rs.3-9-0 per yard between ours and the next best tender and this will mean a total saving to the Department to the tune of Rs.49875-0-0 (Rs.forty nine thousand and eight hundred and seventy five only)

Besides this saving of approximately Rs.fifty thousand as aforesaid the breakage risk of the pipes in this case shall be fully covered till unloading at Manglore. But most important of all is that there shall be hardly any 'variations' and or 'ifs' and 'buts' Moreover if the department is going to agree to the 'variations' clauses or 'ifs' or 'buts' of the suppliers, in our opinion it will be always safer to handle the job by the Department itself.

Our pipes are lengthier and thus shall reduce laying cost to the tune of Rs.25000 approximately to the Department.

Another important redeeming feature about our pipes is that they are longer. Thus whereas in 16 feet long pipes we require 2625 pieces of pipes in our case 2135 pieces of pipes will be required. In other words laying cost of 490 pieces of pipes will be curtailed. Assuming the laying cost of each pipe to be ats.50/- minimum the department will save nearly Twenty five thousand rupees extra. This point however deserves very careful consideration of the department

Risk of Breakage.

Inspite of the fact that breakage of pipes is fully covered by the insurance, we have agreed to supply up to 5% additional quantities i.e. about 2100 feet of extra pipe. i.e. about 110 lengths. This will be helpful in the event of any breakage, and the work of the department will not suffer. Ofcourse the money for such broken pipescan be recovered from the Insurance company later on. Besides we may add that ours are the best pipes in the world so far as the density) and durability is concerned.

b/ Commercial and Trade Reasons.

Last but not the least there are some other factors attached i.e. of trade between India and Japan. Japan today is the biggest buyer of Indian Iron and Manganese Ores, Scraps, and other minerals in bulk quantities. In fact today India's 75% export of the above items are made to Japan. There are hardly any buyers of the above items in other countries. Japan today is in need of more and more of these ores which India has abundant to supply. But Japan today is unable to buy our ores as she is suffering for want of 'Exchange' and shortage of sterling. The net result of this 'exchange' difficulties in Japan is that thousands and thousands of tons of ores belonging to South Indian Mine Owners and suppliers is lying at various pit heads, rail heads and on all South Indian ports which they are unable to dispose off. It is a pity that whereas Japanese mills are anxious buyers and south India expoerters are anxious sellers inspite of that no business is possible due to exchange difficulties and shortage of sterling in Japan.

Incase however, the department decides to place the order with M/s. Kubota Iron & Machinery Works, Osaka, through us, we in turn shall be able to press the Japanese Govt. through our pririncipals to open L/C of equivalent amount for the purchase of Indian ores etc. Thus whereas by this way the south indian exporter's position which is now full bottle-necked will be very much easier as they shall be able to export about 20/30 thousand tons of Iron Ore to Japan) our National Govt. will gain considerably by way of this export. And the most important of this all is that the money paid coffers of national Govt. with profits by way of these exporters of ores. We however don't stress upon this point as a basis of placing order with japan, but as true and loyal citizens of the Indian Union we should spend our monies and revenues to the best of our country's advantage.

We however, wish if we could patronise our manufacturers it is the best. But should for various reasons the Department decides to go in for imported pipes, then we shall request you to give preference to the Japanese made srun pipes for reasons of their cheapness in prices, durability of goods and various other reasons as explained above.

We trust, we have explained quite in detail, to the best of our ability but should the department needs further clarrifications, we shall deem it a favour to discuss.

Thanking you and assuring you of our best cooperation in the meantime.

We are,
Dear Sirs,
Yours faithfully,
FOR HIUKA TRADING CO.

R. C. Hoon

Copy of the letter from Harrisons & Crossfield Ltd.
Post Box No.4
Cochin:1
dated 31st May 1954.

To
Hiuka Trading Co.
330 Thambu Chetty St.
Madras.

Dear Sirs,

We thank you for your enquiry of 28th May which reached us this morning and have pleasure in quoting for clearing and placing F.O.R. Cochin Harbour Terminus 2000 tons of 18" Cast Iron pipes from Japan each pipe weighin about 2000 lbs.

Block fee (port landing charges which include 4 days free storage)	Rs.5-5-4 per ton of 20 cwt. or 50 cft.
Clearing through port and customs and placing f.o.r. cochin harbour terminus	Rs.4-14-0 per ton

The above rates are subject to the cargo being discharged at the Willingdon Island Wharf and do not include any landing charges payable to the steamer agents if the carrying vessel is unable to secure a wharf berth and the cargo is discharged in the stream, additional expenses if the goods are shifted by the port Authorities from the point of discharge, survey fees etc. all of which if incurred will be charged extra at actual rates with supporting vouchers wherever available.

Transit dues (godown rent) will commence 4 days after date of landing at the following rates:-

On consignment up to 10 tons	Rs.0-8-0 per ton per day
over 10 and up to 50 tons	Rs.0-4-0 " "
over 50 tons	Rs.0-2-0 " "

plus 33 1/3% surcharge.
Double the above rates during second week and triple rates threafter.

Transit dues incurred while the pipes are awaiting supply of wagons will be for youraccount.

Duty is payable as under:

Iron and Stell pipes if rivetted or built up of plates or sheets.	Rs.41/- per ton plus 1/4% the total duty under item 63(17) of the Indian customs tariff
Iron and stell pipes not otherwise specified	19 17/32% ad valorem under item 63 (18) of the Indian customs tariff.

We shall take all precautions to protect your interests but cannot accept any liability for loss or damage which should be covered by insu ance. We can arrange insurance cover from cochin to Manglore at 1% against the risks of rail, road, backwater, theft, pilferag , breakage, freshwater and oil.

We are requesting our Kozhikode office to submit you their fates for clearing and delivering ex customes at Manglore.

Yours faithfuly,
Harrisons & Crossfield.

105

CODES
ACME
ACME SURPLEMENT
PRIVATE

HEAD OFFICE
9th FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-CHME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618

CALCUTTA OFFICE
1st FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL (MADRAS OFFICE)

2nd June 1954.

The Sanitary Engineer,
Government of Madras,
Chepauk,
Madras.

Dear Sir,

Re: Manglore Municipality protected water suppy scheme....supply & Delivery of Cast Iron Pipe 18" diameter "B" class.

With reference to your above tender dated 25-3-54, we take this opportunity to quote you in detail as below. For your information we are exclusive agents of M/s. Kubota Iron & Machinery Works Ltd. Osaka, (Japan) who are the world famous manufacturers of Cast Iron Pipes and who have e rned a great reputation and name in all countries for their top superior technique in this line. Substantial quantities of Kubota pipes have been supplied and are in use, all over the world including India, with utmost satisfaction.

Details & Terms of our Supply.

1. COMMODITY: Cast Iron pipes Spigot & Socket Fnds centrifugally Cast Spun Iron conforring to B.S.S.1211/1945
2. QUANTITY : 42,000 Rft or more up to 5%
3. TEST PRESSURE: 400 ft water Head.
4. SPECIFICATIONS: Conforming to B.S.S. 1211/1945.
5. LENGTH PER PIECE: 19'8" (ninteen feet eight inches) or 6 meters weighing 1997 lb each piece.
6. PLACE OF DELIVERY: Mukogawa Plant of M/s. Kubota Iron & Machinery Works Ltd., Osaka. (Japan)
7. PORT OF SHIPMENT: Kobe (JAPAN)
8. TIME OF DELIVERY: Total deliveries to be completed within six months or earlier after the receipt of Govt. order with confirmed L/C, and subject to import license to be arranged by the Authorities for us.
9. PRICES: Equivalent of Rs.75/7. (Rs.Rupees seventy five annas seven) in sterling per yard C.I.F. Cochin or C.I.F. Manglore, excluding any import duty, Sales Tax or Local tax, harbour dues or any other charges dues or taxes etc. etc.

Incase of cochin port however, if on arrival the ship is placed along side the wharf, and the wagons are placed by the Department we undertake to unload the pipes in the wagons, so that the Department can get the pipes on Rails at Cochin.

In case of Manglore port, if the weather and other conditions permit, the ship can be brought there. But it will be the responsibility of the Govt. to get us permission to enter and move the ship in the port of Manglore. Also all unloading charges, arrangement of the barges and their charges and all other miscellaneous expenses shall be on departments account.

But in both the cases i.e. at Cochin Port or Manglore Port, the ship must not be made to stary beyond the due scheduled time. Incase, however, the ship is delayed at the harbour then the department will be responsible to pay theusual detention charges of the ship for this extra period

10. INSPECTION. Inspection will be executed at the above mentioned factory by Japan water works Association, whose certificate could be attached with the documents. We however also undertake to render every facility of Insrection by D.G.I.S.D. London or his authorised representative at the work Site. All fees and out-of-pocket charges for such inspection to be borne by Govt, and should be added to our quotation.

11. INSURANCE: We undertake to insure the pipe consignments against all risks including Breakage from port to port i.e. Kobe to Cochin or Manglore port.

12. BREAKAGE: We will arrange to put additional quantities of pipes in our shipment so as to cover breakage, but Govt. must accept and pay up to 5% extra pipes if received all in satisfactory conditions.

13. PAYMENTS: Govt. should open an irrevocable, divisible and transferable L/C without recourse in our favour in Osaka for payment of 90% against the shipping documents and balance 10% to be paid after receipt of the consignment in satisfactory condition at the destination unloading port of Cochin or Manglore, after which our responsibility ceases completely Incase of cochin our responsibility ceases when the pipes are unloaded in the harbour or in the Govt. provided wagons, in satisfactory condition. But in case of Manglore Port our responsibility ceases when the pipes are loaded into Govt. provided barges.

14. EARNEST MONEY & SECURITY DEPOSIT: We agree to your terms but our depositis whould be refunded promptly on receipt of pipes in sound conditdon at unloading ports.

15. We agree to keep our offer open to 31-7-54. only without any extention

In the end we may mention that we undertake to gove our fullest cooperation to Dept. in respect of earlier supplies and are open to all reasonable negotiation. We have agreed to all your terms excepting that of F.O.R. Manglore which is rather out of our control and more a local business. We however shall do our best to bring the ship at Manglore port which will save enormous railway freight to the Govt. We receprocally expect the same cooperation from the Dept. to help us to satisfy then to our utmost.

Thanking you we remain,

Yours faithfully,
FOR HIUKA TRADING CO.

Enclosure:

1. Blue print of pipe.
2. Illustration Pamphlet of the pipe, showing complete specification.
3. Reserve Bank of India challan No.3696 of 1st June 1954 for Rs.10000/- (Ten thousand) as earnest money.

CODES
ACME
ACME SUPPLEMENT
PRIVATE

HEAD OFFICE
9TH FLOOR, DAIHYAKU SEIMEI BLDG.
No. 15 1-COME, DOJIMA-HAMADORI
KITA-KU, OSAKA

HIUKA TRADING CO.

330, THAMBU CHETTY STREET
MADRAS (INDIA)

CABLE ADDRESS
"HIUKA"
TELEPHONE: 2618

CALCUTTA OFFICE
1ST FLOOR, COMMERCIAL HOUSE
135, CANNING STREET
CALCUTTA (INDIA)

Via AIR MAIL

(MADRAS OFFICE)

Dated 2nd June 1954.

The Sanitary Engineer,
Madras Government,
Chepauk,
Madras.

Dear Sir,

Re: Tender for supply of 42000 Rft 18" pipes
F.O.R. Manglore.

Reference the discussion of our Mr. R.S. Hoon with your goodselves two days ago regarding clarification of the terms F.O.R. Manglore, especially of breakage while unloading at Manglore and more so that without unloading the condition of the pipes cannot be checked up at Manglore), we regret to say that no competent firm in Madras could quote us exact insurance rate for breakage and shortage from any rail head till the time of unloading at Manglore. We spoke on phone to our Head Office in Osaka(Japan) and came to know that foregin insurance companies will be interested to take up insurance cover against breakage, shortage etc., till unloading at Manglore. This thing will ensure the department of the safe delivery of all the goods as the risk of breakage will be then fully covered.

As this point came into our notice rather late i.e.only tow days ago we therefore could not quote covering cull risk of breakage etc. of pipes till the unloading at Manglore, we are therefore giving our c.i.f. quotations, should the department feel that there is any ground for negotiations with us, we shall be too glad to take up the matter further to our mutual advantage.

Thanking you,

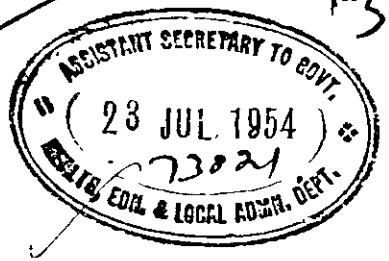
Yours faithfully,
FOR HIUKA TRADING CO.

IMMEDIATE.

146

To be registered

113+



PUBLIC WORKS DEPARTMENT.

From Sri N. Padmanabha Ayyar, B.A., B.E., M.I.E.(Ind.), I.S.E., Chief Engineer, PWD. (General and Buildings) Chepauk, Madras 5.

To The Secretary to Government, Health, Education and Local Administration Department, Fort St.George, Madras.

Letter No. 709 PH 54-7 dated 23-7-1954.

Sir,

Sub: Mangalore Municipality - Water supply Scheme - Tenders for supply of 18" diameter - B Class pipes for pumping main petition of Sri K.C.Kapoor of Pioneer Iron and Steel Corporation - Regarding -

Ref: Government Memorandum No.65107 H6/54-2 Health dated 10th July 1954.

I forward herewith the remarks of the Sanitary Engineer called for in the Government Memorandum cited and I agree with the views contained in para '3' of his letter.

2. In this connection also, I may reiterate my opinion expressed in the concluding para of my letter No.709 PH 54-5 dated 15-7-1954.

for Chief Engineer, PWD General & Buildings

Encl: Sanitary Engineer's letter No.11671 W2/54-1 d/16-2-54.

vts.23-7.

Enclosure: Copy of letter No.11671 W2/54-1 dated 16-2-1954, from the Sanitary Engineer, Madras, to the Chief Engineer, PWD General and Buildings, Madras.

-- --

Water supply - Mangalore Water supply Scheme-Tenders for pipes -

Ref: Health, Education and Local Administration Department Memorandum No.65197 H6/54-2 Health dated 10-7-1954.

-- --

Sri K.C.Kapoor of the Pioneer Iron and Steel Corporation, Calcutta was present when the tenders were opened by me on 2-6-1954. This firm had offered pipes in 12 ft. and 16 to 18 ft. lengths. The shortness of the pipes offered by the firm came in for casual remarks at the time when the tenders were read out.

to supply the 18" diameter C.I. Pipes in 6 ft. lengths while the other firms? had offered ~~pipes in 12 ft.~~

The firm presumably took the clue and followed up with their letter dated 7-6-1954 offering 12 feet pipes instead of 6 feet pipes, but at the same rate. The firm did not mention then that they could reduce the rate for the 12 feet pipes. Nor did Sri Kapoor refer to this point, when he called on me on the 15th instant, as now stated in his letter addressed to the Joint Secretary. In fact, the question of a reduction in their tendered rate was raised by them for the first time only in their letter dated 19-6-54. Obviously it was an afterthought since, during his interview with me on the 15th he admitted that even in regard to pipes of Indian manufacture, his tendered rate was not the lowest. I am surprised that Sri K.C.Kapoor's letter addressed to the Joint Secretary should contain an incorrect version of his interview with the Sanitary Engineer. In fact when I asked him how it was that his firm should have quoted for 6 feet lengths if they could have supplied the pipes in 12 feet lengths, I understood him to say that because of his absence from Headquarters, his Engineers could not visualise the feasibility of the firm casting the pipes in 12 feet lengths and that ~~xxxx~~ was why he had to follow up the tender with a modified offer in respect of the pipe lengths. I thereupon even cut a joke with him as to what one was to think of his Engineers if they could not hit upon the idea which was obvious even to Sri Kapoor. I am mentioning these details because I find the trend of Sri Kapoor's letter to the Joint Secretary is not all that it should be.

3. In regard to the merits of this firm's tender, I have discussed the details in para 12 of my letter No.9046 W2/54-1 dated 14-6-1954. -I may add that while this firm had tendered a rate of Rs.114/- per yard F.O.R. Mangalore for their Indian Pipes, Messrs.South Indian Export Co.Ltd. has tendered a rate of Rs.101-2-7 per yard F.O.R. Mangalore based on their F.O.R.Kulti price. When two competing firms have offered pipes of Indian manufacture one of them viz. the Pioneer Iron and Steel Corporation which has quoted a rate 13% higher than the other, can have no claim whatsoever to be called in for negotiations, particularly when the other firm has established a reputation in the line.

-- --

True Copy

23.7.54

Senior Superintendent.

vtg.23-7.

23/7

Confidential. Immediate.

C.F. 32 ( )—170,10,568—20-1-54.

Public Works Department

(Name) Sri N.Padmanabha Ayyar, B.A.,B.E.,M.I.E.(Ind.),I.S.E.,
Designation Chief Engineer, P.W.D. (General & Buildings),
Station Chepauk, Madras.

Received Registered

To

The Secretary to Government,
Health, Education & L.A.Dept.
Fort St. George.

Enclosures:

No. 709 PH/54-8 dated 30th July 1954

Sir,

Mangalore Watersupply scheme - pumping main - supply of pipes - tenders -

Ref: My letter No.709 PH/54-4 dated 30-6-1954.

...

I invite attention to my letter cited above regarding the supply of pipes for the Mangalore Water supply scheme. As the tenders are valid only upto 31-7-1954, I request the favour of immediate orders of Government in the matter before the expiry of the validity of tenders.

for Chief Engineer, P.W.D.

30/7/54

2

The main file circulated [illegible]
M (H) and M (W) and M (F & E) has been seen by M (H) and M (W) and the file has gone to M (F & E) on 30.7.54.
There is therefore no likelihood of the orders in the matter being issued before the expiry of the validity of leaves granted.
J.S. has conveyed this to the CE and the S.E about this over the phone.

ces
31/7/54

H.E.L.A. Dept (HVII)

CNo. 651 9/57 HVII/54.

Tenders — Water supply — Mangalore Water supply scheme — Tenders for supply of 18" 'B' class pipes — Orders passed.

pl cf — from the C.E., PWD (HJB) Lr. No. 709 PH/54-4-9 30.6.54.

p2 cf — the CE, PWD (HJB) Lr. No 709 PH/54-5-9 15 7/54

p7 cf — the Supdg. Engr. Lr. No. 12334 W1/54-1 9 23.7.54.

p11 cf — the CE., PWD. (HJB) Lr. No. 709 PH/54-7-9 23.7.54.

Approved in section (xx) 2/8/54

Order No. 2145 Health dt 2/8/54.

The Govt. approve the proposal of the CE., PWD (HJB) to accept the tender of the Orient Engineering and Commercial Co., Ltd., Calcutta for the supply of 18" 'B' class pipes required for the Mangalore Water supply scheme.

2. The tenders and the comparative statement sent by the CE. with his letter first cited are returned to him herewith.

CEI
2/8/54

To
The CE, PWD (HJB) with 1 p 18" 1 cf enclosures and a duplicate copy of the G.O.
1 spare copy (in sealed cover)

Dept. with Encl.
YBS 2/8/54.

4
2/8

En. 6797
H 6
54

Subj: Watersupply - Mangalore Watersupply Scheme - Tenders for supply of pipes.

± 1/3

From the CE, PWD, Gl. Bldgs,
No 709 PH/54-4, dated 30.6.54

The Sanitary Engineer has
± 2 - pg invited tenders for the supply of and delivery of 42,000 R.ft of 18" 'B' class pipes required for the Mangalore Watersupply Scheme
p 1 g, 4 pp 3-4 g Five tenders and two quotations have been received by the Sanitary Engineer. and out of them, the
para 3, p 1 g Sanitary Engineer has rejected the
& pp 3-4 g. quotations and one tender (Leories Trading Company Bombay), as they are not in accordance with tender conditions and further the rates furnished by in them are not favourable. The remaining four
pp 4-8 g. tenders have been considered by the Sanitary Engineer and out of the four, only the tenders of Sri Mss Orient Engineering and Commercial Co Ltd, Calcutta and Sri Hirlal Trading Co, Madras are were found to compare favourably with the rest. Reference is invited to his letter The Sany. Engr

at pp 3-8 of ... The Superintending Engr. for the reasons explained in his letter at p.p. 5-8 of, recommends that the tender of the Orient Engineering and Commercial Co Ltd, for the supply of about 14000 yds of 18" dia "B" class pipes of German manufacture at the rate of Rs 31-5-5 per ft f.o.r, Mangalore subject to the conditions mentioned in their tender may be approved by the Govt and that orders may be issued quickly to enable him to place orders on the firm before 31.7.54 the date upto which only these tenders are valid. — part 22 - p 7 of; p 9 of & p 2 of

2. The CE points out that the firm recommended by the S.E had already supplied pipes for this very scheme and have also completed satisfactorily similar contracts for supply of CI pipes for other watersupply schemes and the cost of the pipes based on the rate of this firm will be about Rs 13.16 lakhs as against the estimated total cost of Rs 15 lakhs based on the I.S.P rate and that the tendered rate of the firm is well within the estimate rate. — part 4 - pp 1-2 of; p 2 of

He further states that the other firm - Hinka Trading Company is quite new to the Dept and their capacity and reliability are not known and there is also the difficulty in obtaining the required import licence for their Japanese pipes as Japan is in the hard currency area. For the above reasons, the C.E fully endorses the Sanitary Engineer's recommendation and requests for early orders of Govt for accepting the tender of Messrs. Orient Engineering and Commercial Co Ltd, Calcutta.

3 It maybe mentioned that the F.O.R Mangalore rate tendered by the Orient Engineering Co is Rs 94-0-3/ ~~(as against Rs 91-8-0 the rate of the other firm)~~ and the difference between the tendered amounts of the two firms would be about Rs 35000 for a total value of Rs 13 lakhs for 14000 yds of pipes. Usually tenders ~~for acceptance~~ are not sent to Govt for orders and there is no provision in the PWD code also for sending tenders for acceptance by the Govt. Presumably the CE has addressed

as against Rs. the rate of Rs 75-7-0 C.I.F Cochin tendered by Hinka Trading Co. which would work out to a rate of Rs 91-8-0 F.O.R Mangalore

the Govt. in the matter, because his proposal involves the acceptance of a tender other than the lowest one. However, it is for orders whether in the circumstances explained by the SE and the Ex their proposal may be accepted.

4. Subject to orders, PWD and Fin Deptt may see for remarks prior to circulation.

K
2.7.54

4
3/54

CS
2/7/54

A.S.
3/7/54

SE
3/7/54

PW-/Fin

P.W.D(C) 52872

The note from page 1 and the plans which explains the proposal may be perused.

Attention is in this connection invited to para 156 of the P.W.D. Code under which it is open to the tender inviting authority to accept a tender other than the lowest tender only after recording Confidentially the reasons for so doing. For the technical reasons mentioned by the Sanitary Engineer and the Chief Engineer, P.W.D. we the C.E. the recommendation of the CE. P.W.D.

from such a contingency fund sanction is to be provided for in the Estimate.

CS
4/7/54

DEPUTY ASST. SECRETARY TO GOVERNMENT
3 JUL 1954
PUBLIC WORKS DEPARTMENT

(in pencil) HEL Acc 6.5197 46/54.1

3.7.54

5

SF CA

to accept the higher tenders / rates accepted.

2/ With the above remarks the file may please be forwarded to Fin.

M. 5.7.54. Fin

5/7/54

P. LxD

Vo no 52872 C/Sted 5-7-54.

DEPUTY SECRETARY TO GOVERNMENT
6- JUL 1954
68937
FINANCE DEPARTMENT

Fin (EA).

The notes on pp 1-4 above may be perused. The proposal of the PWD to accept the tender of H/S Oriental Engineering & Commercial Co. for Supply of pipes & pumps for the Mangalore W.S. Scheme, though not the lowest, ~~to may be agreed to~~

DDD 6.7.54

The proposal involves an extra cost of Rs 35,000. The reasons for not accepting the lowest tender of Hinka Trading Co., Madras are briefly given at X on page 3 above. In the circs. stated, the proposal may be agreed to by Fin also.

DDS 6/7/54 Fin

6/7/54 S HEC/I

ASSISTANT SECRETARY TO GOVT.
(7 JUL 1954)
68242
HEALTH, EDN. & LOCAL ADMN. DEPT.

Fin 68937/EA/54-1
7/7/54.

H.E.L.A.(H.VI) DEPT.

SUMMARISING NOTE.

The Sanitary Engineer invited tenders for the supply ~~of~~ and delivery of ~~4x200~~ 42,000 R.ft. of 18" 'B' class pipes required for Mangalore ~~W.S.S.~~ Water supply scheme. The following five tenders and two quotations have been received by the Sanitary Engineer:-

(i) Tender of ~~M/s.~~ The Orient Engineering & Commercial Co., Calcutta
(ii) Tender of ~~M/s.~~ South Indian Export Co. Ltd., Madras.
(iii) Tender of ~~M/s.~~ Hiuka Trading Co., Madras.
(iv) Tender of ~~M/s.~~ Pioneer Iron & Steel Corporation, Calcutta.
(v) Tender of ~~M/s.~~ Leories Trading Company, Bombay.
(vi) Quotation of ~~M/s~~ Messrs. B.R. Herman & Mohatta (India) Ltd., Calcutta).
(vii) Quotation of ~~M/s.~~ Messrs. Aminchand Payarelal, Calcutta.

The Sanitary Engineer has ~~xxxx~~ rejected the quotations items ~~(6)~~ (vi) and ~~(7)~~ (vii) above-and the tender No. ~~5~~ (v) above, as they are not in accordance with the tender conditions and as the rates furnished in them are not favourable. Out of the remaining four, the Sanitary Engineer reports that only items (i) and ~~(3)~~ (iii) above are found to compare favourably with the rest. The Orient Engineering and Commercial Ltd. - (item i) had already supplied pipes for this scheme and have also completed satisfactorily similar contracts for supply of C.I. Pipes for other Water Supply ~~xxx~~ Schemes. The cost of the pipes based on the rate of this firm will be about Rs.13.16 lakhs as against the estimated cost of Rs.15 lakhs based on the I.S.D. rates and ~~that~~ the tendered rate of the firm is thus well within the estimate rate. On the other hand, the Hiuka Trading ~~Co~~ Company (item iii) is quite new to the Dept. and their capacity and reliability are not known and there is also the

(P.T.O.)

difficulty in obtaining the required import licence for the Japanese pipes as Japan is in the hard currency area. Further the firm demands an irrevocable Letter of Credit to be opened at Japan as a condition precedent to the placing of the order for the pipes which would mean interest charges on the amount paid as advance until the completion of the supply. There are also other disadvantages in respect of this firm as given below:-

The firm wants the Department to obtain the necessary Import Licence for the pipes; and to arrange for all the waggons and barges necessary to unload the pipes from the ships at Cochin or Mangalore Port.

2. It may be mentioned that although the Sanitary Engineer had stipulated in the tender notice that rates for the pipes should be offered on F.O.R. Mangalore basis this firm submitted its tendered rate for C.I.F. basis only. The Sanitary Engineer has pointed out that the F.O.R. rate is distinctly advantageous based on the past experience. For the above reasons the Sanitary Engineer and the C.E. recommend that the tender of the Orient Engineering and Commercial Co. Ltd. for the supply of about 14,000 yards of 18" dia. 'B' class pipes of German manufacture at the rate of Rs.31-5-5 per ft. F.O.R. Mangalore subject to the conditions mentioned in their tender may be approved and request that orders may be issued quickly to enable the S.E. to place orders on the firm before 31-7-54 the date upto which only these tenders are valid.

3. It may be mentioned here that the F.O.R. Mangalore rate tendered by the Orient Engineering Co. Ltd. is Rs.94-0-3 per yard as against the rate of Rs.75-7-0 C.I.F. Cochin tendered by the Hiuka Trading Co. which would work out to a rate of Rs.91-8-0 F.O.R. Mangalore and the difference as

(P.T.O.)

between the tendered rates of the two firms would be about Rs.35,000 for a total value of Rs.13 lakhs for 14,000 yards of pipes. However, for the reasons ~~has~~ explained ~~above~~ by the S.E. and the C.E., it is proposed to accept the tender of the Orient Engineering and Commercial Ltd. P.W.D. and Finance Departments agree to the above proposal.

May be circulated to M.(H.), M.(W.) and M.(F. & E.) for approval.

240/9.7

8.7.84

8/7/84

8.7.84

M(H)

M(W.)

M(F.E.)

The S.E says that a further letter has been received by him from the South Indian Export Co. Madras and he has forwarded it with his remarks to the C.E. This may avoid all the C.E addressed the Govt. further in this matter.

16/7

DEPUTY SECRETARY
17 JUL 1984
HEALTH DEPARTMENT

P.T.O.

From the CE, PWD (Gl Bldgs),

No. 709-PH-54-3, d. 15.7.54

Please see the minutes of PC(H) at p 8 ante

A further report from the CE on the offer of the South Indian Export Co Ltd has been received and added to the file at pp 21-27 ante.

2. Another tenderer, the Rivener and Iron and Steel Corporation presented a petition to GS on 10.7.54 and it was also forwarded to S.E. asking him to offer his remarks thereon immediately through the CE. The reply to this reference has not yet been received from the CE. The CE may be reminded to send this report immediately. After the receipt of his reply, the case may be further examined. Subject to orders a draft memo is submitted for approval.

19.7.54

CES
19.7.54

19/7/54

SE
19/7/54

Pl see the advance copy of the SE's report in todays Cyphers

I take further action, we need not wait for the CE's report. Z

SK
20/5/4

[From the Secretary, letter no. 11671-WZ.52.1, dated 16.7.52]

Please see the summarising note from p 6 ante and the minutes of M(H) thereon at p 8 ante. The report of the CE referred to by M(H) regarding the further letter from the South Indian Export Co LLd has been added to the file at pp 21-25 ante.

2. Two firms have now submitted revised offers for supply of the pipes - one is the Pioneer Iron and Steel Corporation and the other is the South Indian Export Co LLd. For the reasons explained in his letter at p 31 ante, the Secretary does not recommend the offer of the Pioneer Iron and Steel Corporation. For orders whether his views may be accepted

3. As regards the revised offer of the South Indian Export Co Ltd, the S.E. states that it is attractive for the following reasons:—

i) the firm is ready to supply the entire ~~quantity~~ quantity within the ~~end of the~~ financial year and its offer is not qualified by any conditions.

ii) It is ready to supply the pipes on F.O.R Mangalore basis.

iii) The pipes are of Indian manufacture.

4. He has also pointed out that the F.O.R Mangalore rate tendered by the firm is Rs 96-6-0 per yard, while the corresponding rate tendered by the Orient Engineering & Commercial Co Ltd is Rs 94-0-3 per yard, and that by accepting the tender of the South Indian Export Co as against the Orient Engineering Co Ltd, the Govt will have to incur an extra expenditure of about Rs 68000. But he adds that by accepting the Indian Manufactured Pipes of the South Indian Export Co Ltd, the Govt will save for the remitting foreign currency to the tune of Rs 13.16 lakhs. He has left it to the CE and the Govt to decide which of the two tenders

should be accepted.

4. The CE/Hydels state that even the revised offer of the South Indian Export Co. Ltd. is not attractive on the cost of point of view, as it involves an extra expenditure of about Rs. 68,000/- and that the only consideration in favour of this firm is it will supply pipes of the Indian Manufacture and consequently there will be a saving of Rs. 13 lakhs in foreign exchange and that these are however matters of policy which will have to be decided by the Govt. The CE holds that it is not desirable to countenance such revised offer of firms as the one under reference, since it will defeat the very purpose of inviting sealed tenders which is meant to create a healthy competition among the tenderers.

5. It is for orders which of the Two tenders will be accepted. Subject to orders PWD and Fin may refer remarks prior to recommendation.

20.7.54

20.7.54

CES 20/7/54

20.7.54

20.7.54

Finance 6518/54/Fin

21.7.54

ADDITIONAL DEPUTY SECRETARY TO GOVT. 7275 21 JUL 1954 FINANCE DEPARTMENT

Fin (S.A)

ASSISTANT SECRETARY TO GOVERNMENT
24 JUL 1954
74245
HEALTH, EDUCATION & LOCAL ADMN. DEPT.

Prey. Fin. note on p. 21 c. f. and the letter on p. 21 C. f. and the further notes on pp. 10-12 c. f. above may be perused. The C. E. has stated that even the revised offer of the South Indian Export Co. Ltd. is not attractive on the cost point of view, as the acceptance of this offer will involve an additional expenditure of about Rs. 68,000 compared to the tender rate of M/s. Orient Engineering & Commercial Co. Ltd. recommended by the C. E. The other amount sought to be thrown away for Conserving Foreign Exchange (to the tune of Rs. 13 Lakhs) for orders whether this debt may suggest that the recommendation of the C. E. be accepted

22.7.52

22.7.52

H.E.I.A.(H.VI)DEPT.

Please see the summarising note on pp. 6-8 ante and the minute of M.(H.) on p. 8 ante.

The letter of the South Indian Export Co. referred to M.(H.) is on pp. 27-28 c.f. The remarks of the C.E. and the Sanitary Engr. thereon are on pp. 21-25 c.f. Though the firm is ready to supply, under the revised offer the entire quantity within the financial year on F.O.R. Mangalore basis, the rate tendered is Rs. 96-6-0 per yard against the corresponding rate of Rs. 94-0-3 per yard tendered by the Orient Engineering and Commercial Co. The Govt. will have to incur an extra expenditure of about Rs. 68,000 if the offer of the South Indian

(P.T.O.)

Preservation of foreign exchange is really the back-bone of the entire story. Even the control of foreign exchange by regulating the issue of import permits, Contractors do not apply for import permits before tendering. Otherwise it is to the contractors under whose import permits for items that are obtained must forthwith apply for items required in executing the Government orders

Fin no. 72751/EA/54-1
23/7/54

p. 24 c.f.

p. 25 c.f.

Export Co. is accepted. The advantage pointed out is that pipes of this firm being of Indian manufacture the Govt. will save for the country foreign currency to the tune of Rs.13.16 lakhs. The C.E. is opposed to the accepting of a revised offer as it will defeat the very purpose of inviting sealed tenders which is meant to create a healthy competition among the tenderers and he has recommended the acceptance of the tender of Orient Engineering and Commercial Co.

Finance Dept. whose remarks were invited in the matter have suggested that the recommendation of the C.E. may be accepted. Finance Secretary has also pointed out that the preservation of foreign exchange is really the look-out of the Centre and the State Govt. need not look into this aspect in deciding the present issue.

Two other firms-the Pioneer Iron and Steel Corporation and the Hinka Trading Co. have made revised offers - p.11 c.f. and pp.33-37 c.f. The remarks of the Sanitary Engineer on these two offers are on p.31 and pp.71-72 c.f.

The Pioneer Iron and Steel Corporation.

Though the pipes offered are of Indian manufa rate tendered is not lower than that of the South Indian Export Company which too has offered pipes of Indian manufacture. This firm cannot therefore be called in for negotiations as requested by them.

Hinka Trading Co.

The pipes tendered are of Japanese manufacture. The tender of this firm had several disadvantages as noted on in para 1 of the note on pp.6-7 ante. The firm has since revised some of the conditions. They have withdrawn the Letter of credit clause and they have proposed to deliver the pipes at the Mangalore Port. The Sanitary Engineer in offering remarks on the revised offer has stated that loss or no loss, such

(P.T.O.)

p 1 cf, para 3

major contracts cannot be awarded to any firm without first ensuring their antecedents and reliability. This firm is new to the Sanitary Engineering Dept. The Sanitary Engineer has also pointed out that if such modifications and retractions from sealed tenders are to be countenanced, other competing firms who had quoted for imported pipes may also claim similar opportunities.

p 2 cf, last para

This firm has also sought an interview for the representative of their principal(who has come down from Japan) with M.(H.).

p 3 cf, last para

It seems the best advice of the S.E. with his knowledge has due weight.

If any revised offers are considered it will only be ~~fix~~ fair to call for fresh tenders.

p 2 cf

It is for orders whether the tender of Orient Engineering and Commercial Co. recommended by the C.E. will be accepted

or

whether the C.E. will be asked to call for fresh tenders.

N

CES 28/7/54

C E's recommendation in favour of the lowest the Orient Engg & Commercial Co., calcutta may it seems be accepted. Orders taken to be placed on the item before 31 7/54

27/7/54

JS/hes

hes this: p 2 cf

For the reasons stated at A 23 on page 1 above the tenders of (1) Pioneer Iron & Steel Corporation & (2) Hinka Trading Coy are out of Consideration

The other two Companies who have tendered are the (1) Orient Engineering Commercial Co.

Boat
Note 2

2 (a) The South Indian Export Co
of the Contract is given to
the Lowest Tenderer, who
is a Madras firm
to the Collector, there will be
an additional, to pay price of
Rs 108 crore. So such loss there
will be the advantage of
earning foreign exchange
to the tune of Rs 13 lakhs
In this connection, I would
like the remarks of the
Finance at Page 13/ante

The remarks of the
£ may also be seen
for order on Note
prepare

121 c/f

S.A. Subban

Hrg
DSR

M(H) the recommendation of 28/7/54
M.C.E. may be accepted and
the contract may be given to
the Orient Engineering & Commercial Co.
29/7

M(W) 29/7

M(F&E) 31.7.54

DEPUTY SECRETARY
2 AUG 1954
WEALTH DEPARTMENT

HELA (VI)

Please see the orders in circulation

on plb ante

A draft order is submitted for approval

CES

2/8/52

2/54

CONFIDENTIAL. SECY. H.E.L.A. Department.

6-7-54

It is understood that the Sanitary Engineer Madras has called for tenders for the supply of Water Main Pipes and that the papers will be sent up to Govt. for orders. I would like to see the papers before orders are issued.

Rangaraja
28/6
MINISTER (W)

~~S.F./H~~
29.6.54

Have the ~~M~~ Come!

SA
29/6/54

Submn. - May the ~~M~~ be called for?

cc. 29.6.54 KG 29/6/54

Continue the ~~D~~ Has the SE to send the tenders for approval by Govt.
Note both orders.
SB 29/6/54

As a matter of fact, this needs send to Govt.
SB
30/6/54

The Sanitary Engineer need not send the tenders for approval by Govt. ~~further~~ For orders whether Something ~~is~~ may be ~~called~~ asked to submit the tenders with his remarks

KG
30.6.54

KG
30/6/54

~~D.F.~~

S.A. Sriraman
30.6.54

cc
30/6/54

M(H) secretary 1/7

I would like to see the tenders with his remarks.

M(W) Rangaraja
3/7

6.7.54

H & L A

(46)

Please see the minutes of ~~[illegible]~~ M(W) on plants. ~~The Sanitary~~ the Tenders relating to the Supply of pipes for Mangalore Water supply Scheme have now been submitted to ~~[illegible]~~ by the Ch for orders of the Govt. Presumably, this is the paper which M(W) wants to see. The Mangalore case has been noted over and sent to P.W.D. and Fin Dept for remarks. On its return it will be circulated to M(H) and M(W) for orders. (At the stage of circulation both the files will be submitted together.)

V 9/7/54

K 5.7.54

CEE 5.7.54

MS 5/7/54

S.A. 5/7/54

The file on tenders for the pipes for Mangalore W.S. Scheme is linked below. Maybe ~~[illegible]~~ to M(H) & M(W) with reference to Latter's minute overleaf.

MS 8/7/54

please see my minute in the L.F.

S.A. Subbaiah 9.7.54

M(H) 16/7

DEPUTY SECRETARY 17 JUL 1954 HEALTH DEPARTMENT

M(W.)

PDO

A2

F1 2
65194

28/7/54

Please see the minute of M(H) on p2 ante. The minute of M(H) on p8 inf of LF and the further notes on pp 13-15 inf of L.F. may be perused.

The Case may be circulated to M(H) and M(W) with the linked file

CCS
28/7/54

28/7/54

S.A. Sobhan
28-7-54

Main file has been circulated and sent to M(F&E)

M(H) agreed 28/7

M(W) Agreed
29/7

DEPUTY SECRETARY
30 JUL 1954
HEALTH DEPARTMENT

IMMEDIATE.

H6

C.F. 32 (—70,10,558—20-1-54.

PUBLIC WORKS

Department

From (Name) Sri G.R. Subrahmanya Iyer, B.E.,
Designation Deputy Chief Engineer, (Public Health),
Station Chepauk, Madras.5.

Received — Registered
2 JUL 1954
72443
ASSISTANT SECRETARY TO GOVT. HEALTH, EDN. & LOCAL ADMN. DEPT.

To
The Deputy Secretary to Govt.,
Health, Education & L.A.Dept.,
Fort St.George,
Madras.

Enclosures:

No. 709 PH/54-6, dated 20th July 1954. ~~165~~-.

Sir,

Sub: Water Supply - Mangalore Water Supply Scheme - Tenders for supply of pipes.

Ref: Health, Edn.& L.A.Dept.Memo No.65197 H6/54-3 dated 19-7-1954.

Papers on the subject cited, have been sent to the Chief Engineer (General) who has gone to Roorkee to attend the Annual Meeting of the Central Board of Irrigation and Power. On their receipt, the Chief Engineer's remarks will be forwarded to Government, probably by the 23rd instant.

G R Subrahmanya Iyer
Deputy Chief Engineer (Public Health).

VB/20-7.

20/7/54

2

Hitchin Depot
H6

Please see the letter of 16th July at page 1 ante. Action has been taken as requested without waiting for the DEI's reply and the main file has been sent to him this may be added to it and this may be added to the main return.

K
21.7.54

KJ
26/7/54

CES
28/7/54